We want to help people and businesses prosper

2015 Financial report | January - September

Santander

Financial report

3 **Key consolidated data**

4 **Highlights of the period**

6 **Santander aim**

8 **Investor day**

10 **General background**

12 **Income statement**

16 **Balance sheet**

20 **Risk management**

22 **Business information by geography**

- 24 Main units of Continental Europe
- 28 United Kingdom
- 29 Main units of Latin America
- 34 United States
- 35 Corporate Centre

36 **Information by global business**

- 36 Retail Banking
- 37 Santander Global Corporate Banking

38 **Corporate Governance**

39 **Corporate Social Responsibility**

40 **The Santander share**

41 **Financial information. Appendix**

At Banco Santander, we take advantage of new communication technologies and the social networks to improve dialogue with our stakeholders

KEY CONSOLIDATED DATA

Balance sheet (€ million)	Sep'15	Jun'15	%	Sep'15	Sep'14	%	Dec'14
Total assets	**1,320,427**	1,339,376	(1.4)	**1,320,427**	1,241,104	6.4	1,266,296
Net customer loans	**777,020**	799,233	(2.8)	**777,020**	721,988	7.6	734,711
Customer deposits	**669,236**	687,900	(2.7)	**669,236**	646,331	3.5	647,628
Managed and marketed customer funds	**1,045,513**	1,082,948	(3.5)	**1,045,513**	1,020,433	2.5	1,023,437
Stockholders' equity	**88,320**	91,497	(3.5)	**88,320**	77,325	14.2	80,806
Total managed and marketed funds	**1,479,841**	1,514,136	(2.3)	**1,479,841**	1,402,277	5.5	1,428,083

Ordinary income statement* (€ million)	3Q'15	2Q'15	%	9M'15	9M'14	%	2014
Net interest income	**7,983**	8,281	(3.6)	**24,302**	21,834	11.3	29,548
Gross income	**11,316**	11,618	(2.6)	**34,378**	31,572	8.9	42,612
Pre-provision profit (net operating income)	**5,974**	6,189	(3.5)	**18,229**	16,750	8.8	22,574
Profit before taxes	**2,778**	2,998	(7.3)	**8,766**	7,140	22.8	9,720
Attributable profit to the Group	**1,680**	1,709	(1.7)	**5,106**	4,361	17.1	5,816

Variations w/o exchange rate: Quarterly: Net interest income: +1.4%; Gross income: +2.3%; Pre-provision profit: +2.0%; Attributable profit: +3.8%
Year-on-year: Net interest income: +8.5%; Gross income: +6.5%; Pre-provision profit: +6.4%; Attributable profit: +11.8%

Ordinary EPS, profitability and efficiency* (%)	3Q'15	2Q'15	%	9M'15	9M'14	%	2014
EPS (1)(euro)	**0.113**	0.115	(2.1)	**0.349**	0.367	(4.9)	0.479
RoE (2)	**7.4**	7.4		**7.5**	7.2		7.0
RoTE (2)	**11.3**	11.4		**11.4**	11.3		11.0
RoA	**0.6**	0.6		**0.6**	0.6		0.6
RoRWA	**1.3**	1.3		**1.3**	1.3		1.3
Efficiency ratio (with amortisations)	**47.2**	46.7		**47.0**	46.9		47.0

Solvency and NPL ratios (%)	Sep'15	Jun'15	%	Sep'15	Sep'14	%	Dec'14
CET1 fully-loaded (2)	**9.85**	9.83		**9.85**			9.65
CET1 phase-in (2)	**12.39**	12.38		**12.39**	11.44		12.23
NPL ratio	**4.50**	4.64		**4.50**	5.28		5.19
Coverage ratio	**71.1**	70.1		**71.1**	67.5		67.2

Market capitalisation and shares	Sep'15	Jun'15	%	Sep'15	Sep'14	%	Dec'14
Shares (million)	**14,317**	14,317	—	**14,317**	11,988	19.4	12,584
Share price (euros)	**4.744**	6.264	(24.3)	**4.744**	7.611	(37.7)	6.996
Market capitalisation (EUR million)	**67,918**	89,679	(24.3)	**67,918**	91,241	(25.6)	88,041
Book value (euro)	**6.19**	6.40		**6.19**	6.45		6.42
Price / Book value (X)	**0.77**	0.98		**0.77**	1.18		1.09
P/E ratio (X)	**10.19**	13.27		**10.19**	15.55		14.59

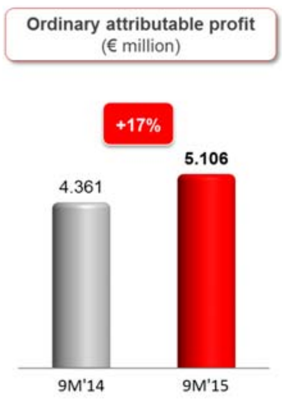
Other data	Sep'15	Jun'15	%	Sep'15	Sep'14	%	Dec'14
Number of shareholders	**3,209,138**	3,203,349	0.2	**3,209,138**	3,229,672	(0.6)	3,240,395
Number of employees	**191,504**	190,262	0.7	**191,504**	183,534	4.3	185,405
Number of branches	**12,901**	12,910	(0.1)	**12,901**	13,059	(1.2)	12,951

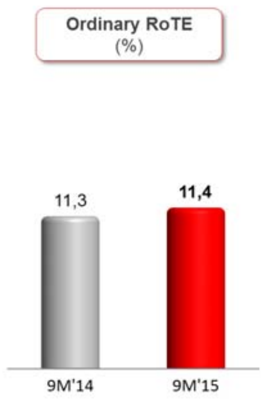
(*).-In 2Q'15 and 9M'15 not including attributable profit of EUR 835 million due to the net result of the reversal of tax liabilities in Brazil
(1).-Ordinary EPS: Ordinary attributable profit including the AT1 cost recorded in shareholders' equity / average number of shares for the period excluding treasury shares
(2).-In 2014, pro-forma taking into account the January 2015 capital increase.

Note: The financial information in this report was approved by the Board of Directors at its meeting on October, 28 2015, following a favourable report from the Audit Committee on October, 21 2015.

→ Profit growth with good performance of commercial revenues and provisions

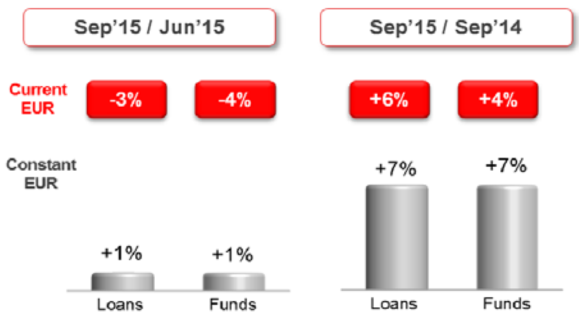
- **Third quarter attributable profit of €1,680 million,** with negative impact of exchange rates. Excluding this, 4% growth.
- **Ordinary attributable profit of €5,106 million in the first nine months,** 17% more than the same period of 2014:
  - Positive impact of exchange rates (+12% without the forex effect).
  - Gross income increased, due to net interest income and fee income.
  - Costs virtually unchanged in real terms and on a like-for-like basis, absorbing regulatory effects and the implementation of innovation and efficiency plans.
  - Drop in provisions and improved cost of credit (1.26% as against 1.52% in September 2014).





→ The growth in volumes reflects the strategy followed in segments, products and countries

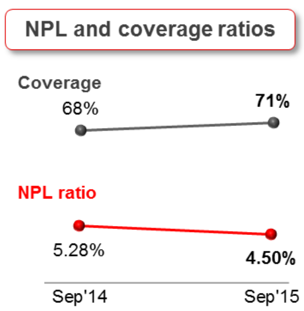
- Impact of exchange rates: -4/-5 p.p. in the third quarter and -1/-3 p.p. year-on-year.
- **Lending** rose 7% year-on-year in constant euros, with growth in eight of our 10 core countries. Perimeter impact: +2 p.p.
- **Funds** up 7% in constant euros, with all countries making a positive contribution. Of note Latin America and the US.
- Solid funding structure and liquidity continued. **Net loan-to-deposit ratio** of 116%.

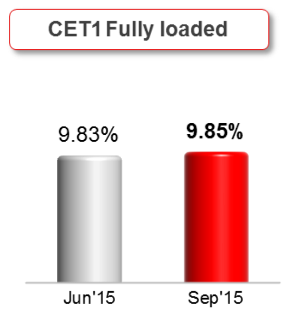


Note: Loans and deposits excluding repos

→ High solvency and enhanced Group credit quality

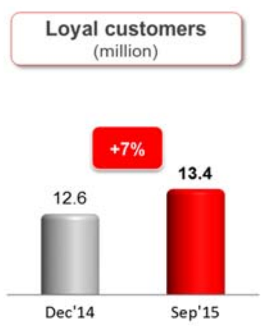
- **Fully loaded CET1 ratio** of 9.85%. Organic generation (+13 b.p.) was offset by the impact of exchange rates on the valuation of the portfolio available for sale and the rise in treasury stock.
- **Total capital ratio** of 12.75% and **fully loaded leverage ratio** 4.7%.
- **Non-performing loan (NPL) entries,** isolating the perimeter and exchange rate effects, were 22% lower than in the first nine months of 2014.
- The **NPL ratio** continued to improve, notably in the third quarter in Spain, the UK and Mexico.

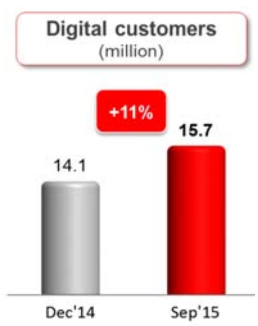




→ Advances in the commercial transformation programme and in the multi-channel distribution model

- Transforming our business model into one that is increasingly **Simple, Personal and Fair** continued.
- Differentiated value offers to improve engagement and relations with individual customers: *1|2|3 account* in Spain and Portugal.
- The *NEO CRM* tool was further extended.
- For companies, expansion of *Santander Advance*, already present in eight countries, and *Santander Trade*, available in 12 countries.
- Strengthening multi-channels (better websites, new developments for mobile phones, etc.).





➔ Business areas: (more detail on pages 22-37)

- **Continental Europa:** Third quarter attributable profit of €625 million, 12% more than in the second quarter, due to higher revenues. First nine months profit of €1,825 million (+75% year-on-year), with greater revenues, controlled costs and sharply reduced provisions.
- **United Kingdom:** third quarter attributable profit of £343 million, 13% lower than the second quarter by other provisions. Profit in the first nine months was £1,087 million (+14%). Revenues fuelled by net interest income and lower loan-loss provisions, reflecting the better quality balance sheet and the improved macroeconomic environment.
- **Latin America:** third quarter ordinary attributable profit of €783 million, 11% lower than the second quarter impacted by exchange rates. Excluding this impact, it remained unchanged. The first nine months profit was 22% higher year-on-year at €2,500 million (excluding fx impact), with general growth in revenues, more costs because of the increased installed capacity and new commercial projects, and stable provisions.
- **United States:** third quarter attributable profit of $206 million, lower than in the second quarter because of lower gains on financial transactions and higher costs. The first nine months profit was $735 million (-9% year-on-year), affected by higher minority interests and tax on profit, as profit before taxes was 6% higher.

➔ Santander share : (more detail on page 40)

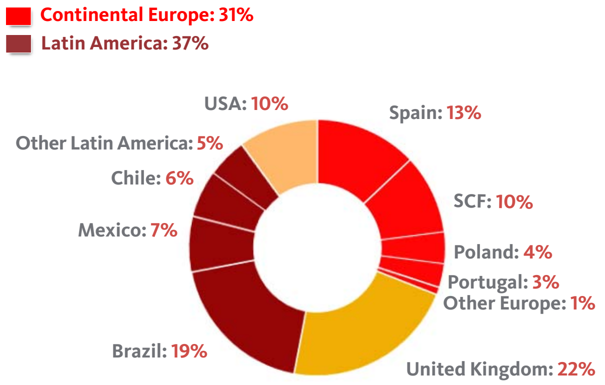
- The Santander share ended the third quarter lower at €4.744, in an environment of falls in stock markets. At the date of publication of this report, the share stood at €5.204 up 10% in October.
- The first interim dividend charged to 2015's earnings was paid in cash in August (€0.05 per share).
- Between October and November, and under the *Santander Dividendo Elección* (scrip dividend) programme, shareholders can opt to receive in cash or in shares the amount equivalent to the second dividend (€0.05 per share) charged to 2015's earnings.

➔ Other significant events:

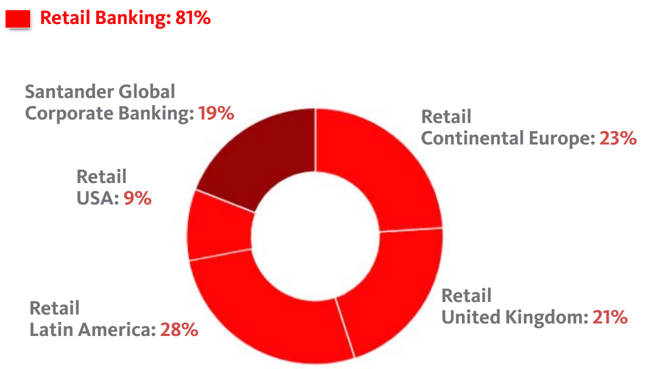
- Between October 1 and the date of publication of this report, the following material fact occurred which could have an impact on the Group's business and activity:
  - Standard & Poor's upgraded Banco Santander's long-term senior debt from BBB+ to A-, a notch above that for Spain's sovereign debt.

    Following this upgrade, Santander's rating with the three main rating agencies is A-.
- More detail can be found on the website of the National Securities Market Commission (www.cnmv.es) and on Santander's website (www.santander.com) in the investor relations section.

Distribution of ordinary attributable profit by geographical business*. 9M'15



Distribution of ordinary attributable profit by global business*. 9M'15



(*) Excluding Spain's Real Estate activities

Our **purpose** is to help people and businesses prosper

Our **aim** is to be the best retail and commercial bank,

earning the lasting loyalty of our people, customers, shareholders and communities

Best bank for our employees

Attract, engage and retain the best talent, capable of providing the best service to our customers and guarantee the business success and sustainability.

Best bank for our customers

Build long-term customer relationships providing simple and tailor-made solutions, a fair and equal treatment and excellent service in our branches and digital channels, in order to enhance their satisfaction and engagement with the Bank.

Best bank for communities

Conduct our banking activity contributing to the economic and social progress of the communities in which we operate, in a responsible and sustainable way, and particularly committed to the field of higher education.

Best bank for our shareholders

Generate an attractive and sustainable return for our shareholders based on a business model with a high degree of recurring revenues, prudent risks, efficient, with disciplined use of capital and financial strength.

We continue to make progress in implementing our strategy to become more **Simple, Personal and Fair**

Simple | Personal | Fair

➔ Employees

Human Resources is reviewing its strategy to ensure it responds to the needs of the new culture and contributes to the rest of the Group's strategic lines. Of note among the **main points** are:

- Definition, through a bottom-up process, of the behaviour that will make Santander a more Simple, Personal and Fair bank.
- Regarding talent, the career potential of over 1,350 managers was analysed by the Talent Evaluation Committees. A new definition of corporate behaviour was included in the 180° assessment for managers, to foster a more Simple, Personal and Fair management.
- As a result of the engagement survey, the *Flexiworking* initiative was launched to promote a new more productive way of working. Another example is *Best4US*, a corporate platform that brings together employees across the group to share common interests.
- Noteworthy in the third quarter was the selection of Santander by univervity students as the most preferred bank to work for in Latin America, according to the 2015 Universum ranking, and in Spain according to Universum's annual review *Empleadores Ideales*.

➔ Customers

Transforming our business model into one that is more personalised and digital continued, in order to enhance **customer** satisfaction and loyalty:

- In **individual customers**, the *1/2/3* account has been well received in Spain since its launch, with the opening of more than 500,000 accounts up to September 30th. In the *Select* segment, the offer was increased in Germany by including profiled investment portfolios, and in Chile the customer attention model was renewed.
- In **SMEs and companies**, *Santander Advance's* value offer was strengthened in the eight countries where it is present, as well as the internationalisation of customers with *Santander International Desk, Santander Passport and Santander Trade.* The latter is now available in 12 countries and used by more than 30,000 exporters and importers.

The Bank continued to make progress in strengthening its many channels with better commercial websites, new applications and mobile phone features, including the launch in the UK of *Cash KiTTi,* an app designed for group money management, and *Spendlytics,* which enables card spending to be controlled. The processes that customers use in their dealings with the Bank continued to be improved.

➔ Shareholders

We continued to develop **initiatives** to improve transparency with our **shareholders** and facilitate the exercise of their rights. Of note in the third quarter were:

- The Group's 2016-2018 strategy was presented at the Investor Day in London in September.
- New corporate website with tab integrated for investors and shareholders.
- Quarterly shareholders' report available online on the same day as the presentation of results.
- *Capacitas* scholarships to help shareholders and their relations with disabilities in their university studies.

➔ Communities

As part of its commitment to **society**, of note in the third quarter were the following:

- Grupo Santander City hosted for the fourth year the summer courses of the Complutense University. Particularly noteworthy were the courses on sustainable development, the new forms of working in the 21st century, employability, entrepreneurship and innovation.
- 270 students from 45 universities in Mexico, Brazil and China took part in the Top China programmes, and carried out internet-of-things related projects.
- More than 700,000 students from 11 countries attained their first job in the first nine months of 2015 through the 2,336 Universia employment portals in universities.
- In Brazil, the portfolio since 2002 of the Bank's microcredit programme reached the all-time record of BRL 3 billion.

Grupo Santander held its Investor Day in London on September 23 and 24, at which senior executives, from the Corporation as well as the commercial units, reviewed the progress made in the last year, the strengths, the challenges ahead and the current opportunities, as well as the drivers of the commercial transformation plan the Group is developing.

They also laid out the main strategic lines established for the Group's next three years and its various units, indicating the goals to be attained in 2018 in the four pillars of our strategy: employees, customers, shareholders and society, as well as specific commercial objectives for 2016, which will allow progress to be monitored.

The strategic vision and objectives announced at the Investor Day are framed within our culture of being a bank that is increasingly Simple, Personal and Fair, and our mission to help people and businesses prosper.

Below is a brief summary of the messages, strategy and objectives:

- **In the last 12 months the Bank has made significant progress in its transformation programme notably including:**
  - Capital increase of €7.5 billion.
  - A new dividend policy: 30%-40% of cash pay-out.
  - Stronger corporate governance and management team.
  - The Group's structure has been simplified and the number of divisions reduced, increasing transparency and improving the Corporate Centre's operations.
  - A new corporate culture programme has been introduced: Simple, Personal and Fair.
  - All of this has been combined with an increase in profit after tax, one of the best efficiency ratios among our peers, a RoTE of more than 11% and a better fully loaded CET1 ratio.

- **A key element of the Group's strategy is the transformation toward a more customer-focused retail banking model, in order to adapt to the new environment a model that has worked well over the last few years.**

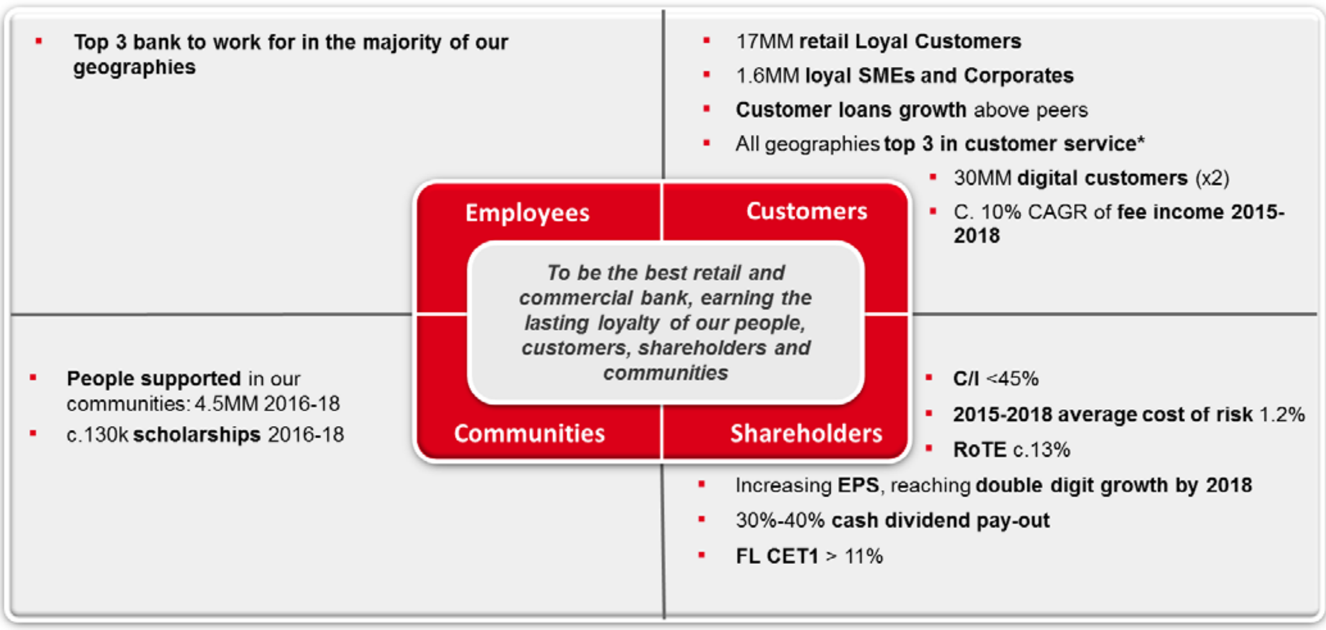
  This transformation aims to boost revenues and gain market share, while maintaining disciplined costs and risks and moving toward a less capital-intensive model.

  The main drivers are:
  - Increase customer loyalty. It is vital here to deepen the relationship with existing customers and increase transaction business.
  - Greater digitalization: double the number of digital customers to 30 million in 2018 and 16 million mobile device customers.
  - Operational excellence: discipline in costs with improvement in customer satisfaction. The Bank launched initiatives to place us among the best in each country where we operate.
  - Greater focus on the most profitable and strongest growth segments: SMEs, consumer finance and private banking.
  - Discipline in capital: grow our risk-weighted assets in a profitable way.

- **Specific targets were also set for 2016, both for the Group as well as each of the units on the basis of their commercial priorities. The Group's are:**
  - Engaged customers: increase from 13 to 15 million (+15%).
  - Digital clients: increase from 15 to 20 million (+33%).
  - SMEs: half a point gain in market share.
  - Stable efficiency ratio in respect of 2015.
  - Improved cost of credit.
  - Continue to strengthen the balance sheet with more capital.
  - Growth in earnings and dividend per share.

- **Lastly, the Group set goals for the next three years for the operating units as follows, and which have their equivalent in each of the operating units:**

2018 Targets



* Except for the US – approaching peers

All information pertaining to the Investor Day is available at the corporate website: www.santander.com

General Background

Grupo Santander conducted its activity in the third quarter of 2015 in a more favourable economic environment in the developed economies where it operates, while emerging economies faced important challenges.

Banking activity continued to be affected by interest rates at historic lows in most economies, competition was tougher in some markets, mainly in lending, and the regulatory environment was more demanding.

Developed countries:
The expansion in the US and the UK remained firm and the recovery in the euro zone continued to strengthen.

- **The US** economy grew again at a brisk pace in the second quarter (3.9% quarterly annualised). The main driver was domestic demand, particularly household consumption, fuelled by the recovery in the labour market, the low oil price and positive wealth effects. The dollar's appreciation and the slowdown in emerging markets, however, are harming investment in capital goods and exports. Third quarter GDP growth could be lower, as job creation is less intense, although still high. The unemployment rate has dropped to levels close to medium-term equilibrium (around 5%), as a result of which the Fed will continue to assess whether to begin to raise interest rates before the end of the year.

- **UK** output rose 0.7% quarter-on-quarter in the second quarter, above potential. The downward risks in the first quarter seem to have disappeared, and uncertainty is now focused on the international environment. Growth is mainly fuelled by consumption, although investment is beginning to strengthen.

  Inflation was at around 0%, and the further fall in oil prices will keep it that way until the end of the year. The jobless rate continued to fall, although at a slower pace, while salaries are starting to rise.

- **The Eurozone** continued to grow at a good pace in the second quarter. Output increased 0.4% quarter-on-quarter after 0.5% in the first three months (in year-on-year terms growth accelerated from 1.2% to 1.5%). These figures reflect more balanced growth between the external sector and domestic demand, within which consumption remained buoyant. The third quarter indicators point to a similar pace of recovery. Inflation was affected by the evolution of oil prices and was 0.1% negative in September. The European Central Bank is prepared to increase its quantitative easing programme if the slowdown in emerging economies has permanent effects on the euro zone, of which there is no evidence at the moment.

  - **Germany's** economy accelerated a little from 0.3% to 0.4% quarter-on-quarter in the second quarter, thanks to greater exports, which was partly offset by lower investment.

  - **Spains's** growth quickened in the second quarter to 1% (3.1% year-on-year). The country continued to stand out for its growth in the euro zone and will probably continue to do so in the short term. Growth for the whole of 2015 is likely to be just over 3%.

  - **Portugal:** The Portuguese economy maintained quarter-on-quarter growth of 0.5%. Domestic demand was strong, leading to more imports and a negative contribution to growth from the external sector.

Emerging countries:
Among the emerging economies, the **Latin American** ones varied:

- **Brazil:** Brazil: GDP shrank 1.9% quarter-on-quarter in the second quarter (-2.6% in the last 12 months). The jobless rate rose to 7.6% in August from 6.9% in June. %. Inflation was 9.5% in September, reflecting the adjustment of tariffs and the real's depreciation. The central bank kept the Selic rate at 14.25%, following a rise of 50 b.p. in July (+325 b.p. in 12 months). The purpose of these rises is to prevent the increase in inflation from impacting medium-term expectations. The central bank intends to anchor inflation expectations around its central target of 4.5%.

  The external sector remained very solid, with reserves of 19% of GDP. Current account surplus and net capital inflows via direct investments remained stable at around 4% of GDP, despite the uncertainty in international markets. The real depreciated 22% against the dollar in the third quarter (34% since the end of 2014). The respective depreciations against the euro were 23% and 28%.

- **Mexico:** The economy continued to recover in the first half of 2015 (year-on-year growth of 2.4%). The upswing in exports, consumption and private investment was compensated by an adjustment in stocks, which solidified expectations that the economy will continue to improve. Inflation remained very moderate (lower than 3%), with the Banco de México holding its benchmark rate at 3% (since June 2014), although remaining vigilant on US monetary policy and ready to raise its rates in line with the Fed, in order to avert possible rises in volatility.

  The peso depreciated 7% against the dollar in the third quarter (13% in the first nine months). The depreciation against the euro was 8% and 6%, respectively.

- **Chile:** The Chilean economy slowed down in the second quarter to 1.9% (2.5% in the first quarter) due to less activity in the primary and manufacturing sectors, while the service sector continued to recover. Inflation rose in August to 5%, reflecting the impact of the peso's depreciation. Although inflation expectations for 2016 remain at around 3%, and in order to anticipate its possible increase, the central bank tightened its monetary policy in September, indicating its readiness to raise rates after keeping them unchanged at 3% since October 2014.

  The peso fell 9% against the dollar and the euro in the third quarter (13% and 6%, respectively, since the end of 2014).

- **Poland:** The pace of the Polish economy remained virtually unchanged quarter-on-quarter in the second quarter, but lower in year-on-year terms (3.3% compared to 3.6% in the first three months). The third quarter indicators were weaker than expected and deflation continued until August (-0.8% year-on-year). The macroeconomic fundamentals, however, remained solid and the policies well focused.

  The central bank cut its benchmark interest rate to 1.5% and the market gives some probability to a further reduction in 2016.

Exchange rates: 1 euro / currency parity

	Average (income statement)		Period-end (balance sheet)		
	9M'15	9M'14	30.09.15	31.12.14	30.09.14
US$	1.113	1.354	1.120	1.214	1.258
Pound sterling	0.727	0.812	0.739	0.779	0.777
Brazilian real	3.487	3.099	4.481	3.221	3.082
New Mexican peso	17.321	17.766	18.977	17.868	16.998
Chilean peso	711.376	759.987	784.882	737.323	755.823
Argentine peso	9.980	10.787	10.558	10.277	10.672
Polish zloty	4.155	4.175	4.245	4.273	4.178

Rating agencies

During 2015:

- Moody's upgraded long-term senior debt from Baa1 to A3, and changed the outlook from stable to positive.
- Standard & Poor's upgraded long-term senior debt from BBB+ to A-.
- Scope also upgraded the long-term senior debt from A to A+.
- DBRS reaffirmed Santander's ratings with stable outlook.

	Long term	Short term	Outlook
DBRS	A	R1 (low)	Stable
Fitch Ratings	A-	F2	Stable
GBB Rating	A+		Stable
Moody's	A3	P-2	Positive
Standard & Poor´s	A-	A-2	Stable
Scope	A+	S-1	Stable

Grupo Santander results

First nine months highlights

→ Third quarter attributable profit of €1,680 million, 4% more than the second quarter excluding the impact of exchange rates.

→ Ordinary attributable profit in the first nine months of €5,106 million, 17% higher year-on-year mainly due to:

- Positive evolution of exchange rates (ordinary profit rose 12% excluding this impact).
- Perimeter impact of between one and three p.p. on revenues, costs and provisions.
- Gross income rose, due to net interest income and fee income.
- Stable costs in real terms and on a like-for-like basis, absorbing regulatory effects and plans underway for innovation and efficiency improvement.
- Lower provisions and better cost of credit (1.26% vs. 1.52% in September 2014).

→ The efficiency ratio remained at around 47% and is among the best of our peers.

→ Ordinary RoTE at 11.4%, +10 b.p. year-on-year.

Ordinary income statement

€ million

			Variation				Variation	
	3Q'15	2Q'15	%	% w/o FX	9M'15	9M'14	%	% w/o FX
Net interest income	**7,983**	**8,281**	**(3.6)**	**1.4**	**24,302**	**21,834**	**11.3**	**8.5**
Net fees	2,474	2,586	(4.3)	0.5	7,584	7,172	5.8	4.9
Gains (losses) on financial transactions	634	372	70.4	76.3	1,702	2,229	(23.7)	(25.7)
Other operating income	225	379	(40.7)	(39.7)	790	337	134.4	124.1
Dividends	75	239	(68.7)	(68.1)	347	323	7.6	7.7
Income from equity-accounted method	93	101	(7.3)	1.4	293	180	63.4	71.7
Other operating income/expenses	57	39	44.7	27.6	149	(166)	—	—
Gross income	**11,316**	**11,618**	**(2.6)**	**2.3**	**34,378**	**31,572**	**8.9**	**6.5**
Operating expenses	(5,342)	(5,429)	(1.6)	2.6	(16,149)	(14,822)	8.9	6.7
General administrative expenses	(4,731)	(4,826)	(1.9)	2.3	(14,342)	(13,125)	9.3	6.9
Personnel	*(2,717)*	*(2,836)*	*(4.2)*	*(0.3)*	*(8,308)*	*(7,543)*	*10.2*	*7.6*
Other general administrative expenses	*(2,015)*	*(1,989)*	*1.3*	*6.0*	*(6,034)*	*(5,583)*	*8.1*	*6.0*
Depreciation and amortisation	(611)	(603)	1.2	4.6	(1,806)	(1,697)	6.4	4.9
Net operating income	**5,974**	**6,189**	**(3.5)**	**2.0**	**18,229**	**16,750**	**8.8**	**6.4**
Net loan-loss provisions	(2,479)	(2,508)	(1.2)	4.8	(7,550)	(8,110)	(6.9)	(8.4)
Impairment losses on other assets	(110)	(78)	41.5	43.8	(247)	(225)	10.1	9.7
Other income	(606)	(605)	0.2	5.5	(1,666)	(1,275)	30.6	34.5
Ordinary profit before taxes	**2,778**	**2,998**	**(7.3)**	**(2.2)**	**8,766**	**7,140**	**22.8**	**18.0**
Tax on profit	(787)	(939)	(16.2)	(11.8)	(2,649)	(1,882)	40.8	36.0
Ordinary profit from continuing operations	**1,991**	**2,059**	**(3.3)**	**2.1**	**6,117**	**5,258**	**16.3**	**11.7**
Net profit from discontinued operations	—	—	—	—	—	(7)	(100.0)	(100.0)
Ordinary consolidated profit	**1,991**	**2,059**	**(3.3)**	**2.1**	**6,117**	**5,252**	**16.5**	**11.8**
Minority interests	311	350	(11.1)	(6.1)	1,011	891	13.5	11.9
Ordinary attributable profit to the Group	**1,680**	**1,709**	**(1.7)**	**3.8**	**5,106**	**4,361**	**17.1**	**11.8**
Ordinary EPS (euros) (1)	**0.113**	**0.115**	**(2.1)**		**0.349**	**0.367**	**(4.9)**	
Ordinary diluted EPS (euros) (1)	**0.113**	**0.115**	**(2.2)**		**0.348**	**0.366**	**(4.8)**	
Pro memoria:								
Average total assets	1,335,790	1,359,450	(1.7)		1,340,924	1,185,486	13.1	
Average stockholders' equity (2)	90,248	91,856	(1.8)		90,861	80,845	12.4	

NOTE:- In 2Q'15 and 9M'15 not including attributable profit of EUR 835 million due to the net result of the reversal of tax liabilities in Brazil.

(1).- Ordinary EPS: Ordinary attributable profit including the AT1 cost recorded in shareholders' equity / average number of shares for the period excluding treasury shares.

(2).- Stockholders' equity: Sharedholders' equity + Equity adjustments by valuation. In 2014, pro-forma taking into account the January 2015 capital increase.

Third quarter results

- Ordinary attributable profit of €1,680 million, with negative impact of exchange rates. Excluding this effect, 4% growth.
  - Gross income up 2%, thanks to net interest income (moderate growth in business in some countries), fee income and normalisation of gains on financial transactions, following a second quarter when they were very low.
  - Higher costs due to the aforementioned plans, higher inflation and regulations.
  - Higher loan-loss provisions, mainly in Brazil.

Ordinary quarterly income statement

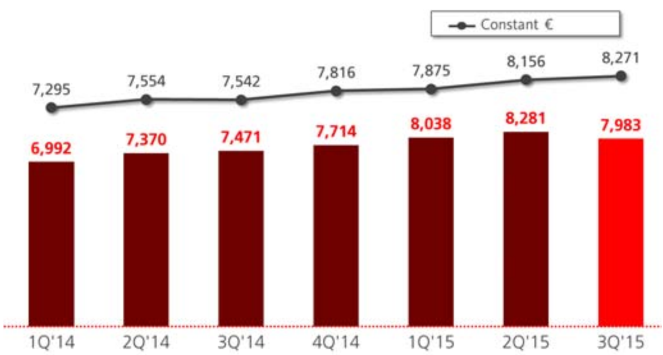
€ million

	2014				2015		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net interest income	**6,992**	**7,370**	**7,471**	**7,714**	**8,038**	**8,281**	**7,983**
Net fees	2,331	2,403	2,439	2,524	2,524	2,586	2,474
Gains (losses) on financial transactions	767	511	952	620	695	372	634
Other operating income	34	204	99	182	186	379	225
Dividends	31	220	72	112	33	239	75
Income from equity-accounted method	65	42	72	64	99	101	93
Other operating income/expenses	(63)	(58)	(45)	6	53	39	57
Gross income	**10,124**	**10,488**	**10,961**	**11,040**	**11,444**	**11,618**	**11,316**
Operating expenses	(4,847)	(4,906)	(5,070)	(5,216)	(5,377)	(5,429)	(5,342)
General administrative expenses	(4,256)	(4,360)	(4,509)	(4,656)	(4,785)	(4,826)	(4,731)
Personnel	*(2,455)*	*(2,515)*	*(2,572)*	*(2,670)*	*(2,755)*	*(2,836)*	*(2,717)*
Other general administrative expenses	*(1,801)*	*(1,844)*	*(1,937)*	*(1,985)*	*(2,030)*	*(1,989)*	*(2,015)*
Depreciation and amortisation	(590)	(546)	(560)	(560)	(592)	(603)	(611)
Net operating income	**5,277**	**5,582**	**5,891**	**5,824**	**6,067**	**6,189**	**5,974**
Net loan-loss provisions	(2,695)	(2,638)	(2,777)	(2,452)	(2,563)	(2,508)	(2,479)
Impairment losses on other assets	(87)	(71)	(67)	(151)	(60)	(78)	(110)
Other income	(347)	(438)	(491)	(642)	(454)	(605)	(606)
Ordinary profit before taxes	**2,149**	**2,435**	**2,556**	**2,580**	**2,990**	**2,998**	**2,778**
Tax on profit	(569)	(664)	(649)	(814)	(922)	(939)	(787)
Ordinary profit from continuing operations	**1,579**	**1,771**	**1,908**	**1,766**	**2,067**	**2,059**	**1,991**
Net profit from discontinued operations	(0)	(0)	(7)	(19)	0	0	(0)
Ordinary consolidated profit	**1,579**	**1,771**	**1,901**	**1,746**	**2,067**	**2,059**	**1,991**
Minority interests	277	318	296	291	350	350	311
Ordinary attributable profit to the Group	**1,303**	**1,453**	**1,605**	**1,455**	**1,717**	**1,709**	**1,680**
Ordinary EPS (euros) (1)	**0.113**	**0.122**	**0.131**	**0.112**	**0.121**	**0.115**	**0.113**
Ordinary diluted EPS (euros) (1)	**0.113**	**0.122**	**0.131**	**0.112**	**0.120**	**0.115**	**0.113**

NOTE: In the second quarter of 2015 not including attributable profit of EUR 835 million due to the net result of the reversal of tax liabilities in Brazil.
(1).- Ordinary EPS: Ordinary attributable profit including the AT1 cost recorded in shareholders' equity / average number of shares for the period excluding treasury shares.

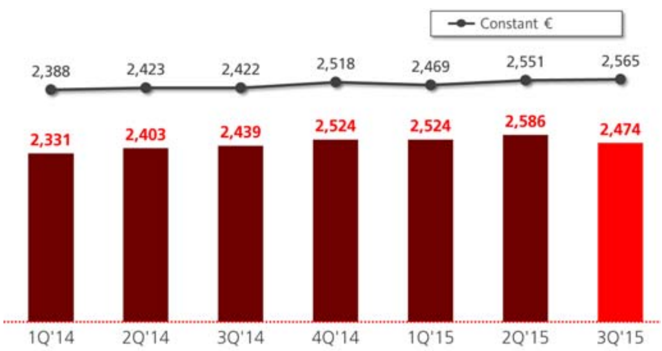
Net interest income

€ million



Net fees

€ million



First nine months results

Revenues

- **Gross income** increased 9% year-on-year in current euros and 7% in constant euros, as follows:
  - **Net interest income** rose 9%, mainly due to growth in lending and lower cost of funds.

    Increases in Brazil, UK, US, Santander Consumer Finance, Mexico, Portugal and Chile, falls in Poland because of lower interest rates, and slightly in Spain against a backdrop of low interest rates and tough competition in lending.
  - **Fee income** grew 5%, but with an uneven performance by units because of countries' different economic and activity cycles and, in some cases, the impact of regulatory changes that limited revenues, chiefly in insurance and cards.
  - 26% fall in **gains on financial transactions**, conditioned by the high ones in 2014 derived from the management of interest rate hedging portfolios and the global corporate segment.
  - Positive impact on **other operating income** of revenues from leasing operations, mainly in the US, higher results from companies recorded by the equity method of accounting and collection of dividends.

    Also, as a result of the change in accounting rules, the ordinary contribution to the Deposit Guarantee Fund in Spain is recorded when accruing interest, which is at the end of the year, and so there was no charge for this item in the first nine months, as it will be fully charged in the fourth quarter.

Operating expenses

- **Operating expenses** rose 9% (+7% in constant euros year-on-year). This was due to several factors: the evolution of inflation in Latin America, the innovation programmes, the plans to improve efficiency, the impact of the measures taken by the Bank as a result of the new regulatory requirements, particularly in the US, and the change of perimeter.
- Costs increased by only 1%, once adjusted for the perimeter (+2.3%) and for the period's average inflation (3.4%). This evolution reflects the positive impact of the three-year efficiency and productivity plan launched at the end of 2013, which is enabling us to make the greater investments commented on as well as maintain real growth in costs at close to zero.

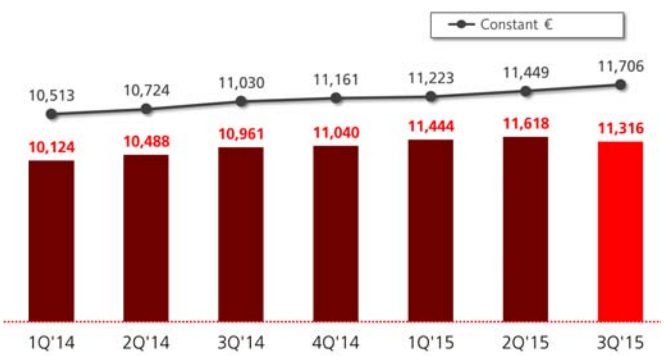
  Of note was the fall in real terms in Brazil (-6.4% on a like-for-like basis), Spain (-1.7%) and Portugal (-0.5%).
- The **efficiency ratio** remained stable at around 47% throughout the year (47.0% in the first nine months), in line with the same period of 2014 (46.9%).

Loan-loss provisions

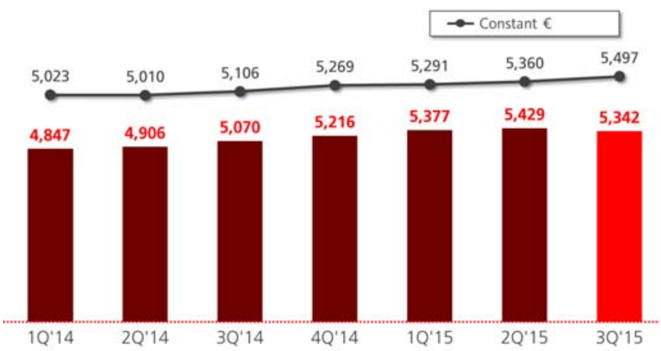
- **Loan-loss provisions** were 7% lower (-8% in constant euros), with significant falls in Spain, the UK and Portugal. This was due to the improvement in the quality of portfolios, thanks to active risk management and a better macroeconomic environment.
- Lower provisions, combined with higher lending, further improved the Group's cost of credit from 1.52% in September 2014 to 1.26% a year later. Excluding SCUSA, which because of its type of business, has a high level of provisions and recoveries, the cost of credit was 0.95% (1.25% in September 2014).

  Most units recorded lower provisions, particularly Spain, Portugal, Brazil, Mexico and the UK.

Gross income
€ million



Operating expenses
€ million



Net operating income net of provisions

- **Net operating income net of provisions** increased 24% (+20% in constant euros), driven by double-digit growth in most of the units.

Other income and provisions

- **Other income and provisions** was €1,913 million negative (€1,500 million negative in the first nine months of 2014), due to more provisions to bolster the balance sheet.

Ordinary profit

- **Ordinary profit before tax**, which best shows the business evolution, rose 23% and 18% in constant euros.
- The tax charge rose, to a larger extent due to greater tax pressure in some units such as Portugal, Santander Consumer Finance, Brazil and Mexico.
- **Minority interests** increased 12% in constant euros, as the rises in the US (due to better SCUSA results) and Santander Consumer Finance (materialisation of agreements with PSA) were partly offset by the repurchase in Brazil in the fourth quarter of 2014.
- **Ordinary attributable profit** was €5,106 million, 17% higher year-on-year (+12% in constant euros).

  The units that posted the most significant growth in their profits were Spain (+64%), Portugal (+61%), Santander Consumer Finance (+28%, partly due to the perimeter), Brazil (+37%, partly due to the acquisition of minority interests) and the UK (+14%), the last two countries in constant euros.
- The **ordinary RoTE** was 11.4%, +10 b.p. year-on-year.
- **Ordinary earnings per share** were €0.349, a drop of 5% over the first nine months of 2014, affected by the increase in the number of shares during the period (capital increase in January and *Santander Dividendo Elección* programmes), as well as the higher financial cost due to new issues of AT1 instruments.

  The cost of these issues, in accordance with accounting rules, is not recorded in the income statement, but against net equity and is included when calculating the EPS.

Group attributable profit

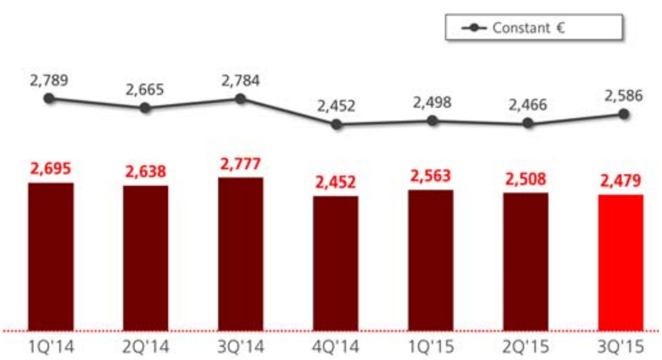
- The following non-recurring results in the first nine months of 2014 and the same period of 2015 are not included in the profit:

– In the first nine months of 2014 capital gains were recorded for the Altamira operation, the listing of Santander Consumer USA and the change in the UK pension commitments (€1,335 million overall). At the same time a fund was established for restructuring costs and a charge was made for impairment losses on intangible assets and other provisions of a similar amount. The net impact of these amounts on the profit was zero.

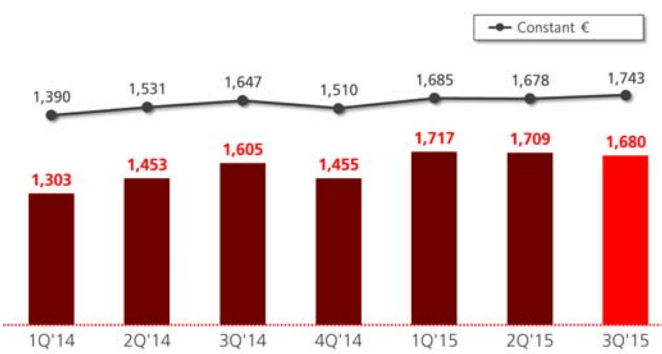
– Additionally, in the first nine months of 2015 the Group recorded attributable profit of €835 million due to the net result of the reversal of tax liabilities in Brazil.

- Incorporating this extraordinary item, the Group's first nine months attributable profit was €5,941 million, 36% higher than in the same period of 2014 (+30% in constant euros), and EPS was €0.408 (+11%).

Loan-loss provisions
€ million



Ordinary attributable profit to the Group
€ million



Balance sheet

€ million

Assets	**30.09.15**	**30.09.14**	**Variation amount**	**%**	**31.12.14**
Cash on hand and deposits at central banks	70,841	76,478	(5,637)	(7.4)	69,428
Trading portfolio	149,903	142,840	7,063	4.9	148,888
Debt securities	*43,882*	*58,325*	*(14,443)*	*(24.8)*	*54,374*
Customer loans	*8,235*	*524*	*7,711*	*—*	*2,921*
Equities	*15,257*	*9,770*	*5,487*	*56.2*	*12,920*
Trading derivatives	*80,425*	*71,533*	*8,892*	*12.4*	*76,858*
Deposits from credit institutions	*2,104*	*2,688*	*(583)*	*(21.7)*	*1,815*
Other financial assets at fair value	52,110	35,925	16,185	45.1	42,673
Customer loans	12,320	10,266	2,054	20.0	8,971
Other (deposits at credit institutions, debt securities and equities)	39,790	25,659	14,131	55.1	33,702
Available-for-sale financial assets	117,835	99,226	18,609	18.8	115,251
Debt securities	*112,965*	*94,333*	*18,632*	*19.8*	*110,249*
Equities	*4,870*	*4,893*	*(23)*	*(0.5)*	*5,001*
Loans	816,665	784,406	32,259	4.1	781,635
Deposits at credit institutions	*50,413*	*65,372*	*(14,959)*	*(22.9)*	*51,306*
Customer loans	*756,465*	*711,198*	*45,267*	*6.4*	*722,819*
Debt securities	*9,788*	*7,836*	*1,951*	*24.9*	*7,510*
Held-to-maturity investments	4,405	—	4,405	—	—
Investments	3,278	3,619	(341)	(9.4)	3,471
Intangible assets and property and equipment	27,264	21,431	5,833	27.2	26,109
Goodwill	26,777	27,364	(587)	(2.1)	27,548
Other	51,349	49,814	1,535	3.1	51,293
Total assets	**1,320,427**	**1,241,104**	**79,324**	**6.4**	**1,266,296**

Liabilities and shareholders' equity					
Trading portfolio	112,461	107,225	5,236	4.9	109,792
Customer deposits	*9,693*	*9,101*	*592*	*6.5*	*5,544*
Marketable debt securities	*—*	*197*	*(197)*	*(100.0)*	*—*
Trading derivatives	*80,572*	*71,858*	*8,714*	*12.1*	*79,048*
Other	*22,195*	*26,068*	*(3,873)*	*(14.9)*	*25,200*
Other financial liabilities at fair value	58,601	62,969	(4,367)	(6.9)	62,318
Customer deposits	*27,094*	*35,247*	*(8,152)*	*(23.1)*	*33,127*
Marketable debt securities	*3,352*	*4,048*	*(696)*	*(17.2)*	*3,830*
Due to central banks and credit institutions	*28,155*	*23,674*	*4,481*	*18.9*	*25,360*
Financial liabilities at amortized cost	1,009,566	939,586	69,980	7.4	961,053
Due to central banks and credit institutions	*141,617*	*106,229*	*35,388*	*33.3*	*122,437*
Customer deposits	*632,449*	*601,983*	*30,466*	*5.1*	*608,956*
Marketable debt securities	*193,905*	*191,349*	*2,555*	*1.3*	*193,059*
Subordinated debt	*19,606*	*17,334*	*2,272*	*13.1*	*17,132*
Other financial liabilities	*21,990*	*22,692*	*(702)*	*(3.1)*	*19,468*
Insurance liabilities	644	1,671	(1,027)	(61.5)	713
Provisions	13,775	14,589	(814)	(5.6)	15,376
Other liability accounts	26,693	27,041	(348)	(1.3)	27,331
Total liabilities	**1,221,740**	**1,153,081**	**68,659**	**6.0**	**1,176,581**
Shareholders' equity	103,307	87,893	15,414	17.5	91,664
Capital stock	*7,158*	*5,994*	*1,164*	*19.4*	*6,292*
Reserves	*90,924*	*77,764*	*13,159*	*16.9*	*80,026*
Attributable profit to the Group	*5,941*	*4,361*	*1,580*	*36.2*	*5,816*
Less: dividends	*(716)*	*(226)*	*(490)*	*216.6*	*(471)*
Equity adjustments by valuation	(14,987)	(10,568)	(4,420)	41.8	(10,858)
Minority interests	10,367	10,697	(330)	(3.1)	8,909
Total equity	**98,687**	**88,023**	**10,665**	**12.1**	**89,714**
Total liabilities and equity	**1,320,427**	**1,241,104**	**79,324**	**6.4**	**1,266,296**

Group Balance Sheet

First nine months highlights

→ Negative impact of exchange rates in the third quarter and year-on-year.

→ **In the third quarter,** growth in lending and customer funds. The Group's **net loan-to-deposit ratio** remained at 116%.

→ **In relation to September 2014 and in constant currency, both loans and funds grew 7%:**

- Lending rose in all countries except Portugal and Spain.
- Customer funds increased in all countries. Of note were Latin America and the US.

→ The fully loaded **CET1** was 9.85% (+2 b.p. in the quarter). The organic generation (+13 b.p.) was mainly offset by the impact of exchange rates on the valuation of the portfolio available for sale and the rise in treasury stock.

→ The total capital ratio was 12.75% and the fully loaded leverage ratio 4.7%.

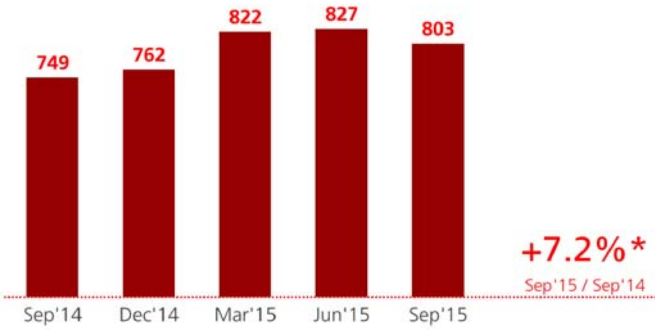
Total business managed and marketed at the end of September stood at **€1,479,841 million,** of which €1,320,427 million was on balance sheet and the rest mutual and pension funds, and administered portfolios.

- Negative impact of 4/5 p.p. in the third quarter of exchange rates on the evolution of the balances of customer loans and funds. Also negative in year-on-year terms (-1 p.p. on loans and -3 p.p. on funds).
- Positive perimeter impact on loans of 2 p.p. in year-on-year terms, mainly in the consumer area due to the acquisition of GE Nordics and Carfinco and implementation of the agreement with PSA in France, the UK and Portugal.

Gross customer loans (excluding repos)

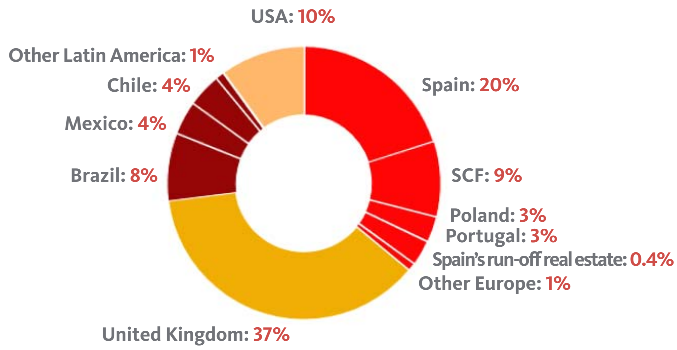
- Loans increased 1% in constant currency in the **third quarter,** as follows:
  - Growth of 1% in the UK, US and Santander Consumer Finance, 2% in Poland, 4% in Chile, 5% in Brazil and 6% in Mexico, while Portugal's balances remained stable. Spain's lending declined 2% because of strong competition in a market whose stock is still not increasing.
  - Reduction of more than 10% in net lending of Spain Real Estate Activity.
- Lending was 6% higher **than in September 2014.** Eliminating the exchange rate impact, growth for the whole Group was 7%:
  - Rises in all the core countries, except Portugal and Spain, whose balances dropped 1% , as these markets continued to deleverage in the last 12 months. Growth was more significant in Latin America and SCF, and more moderate in the UK, Poland and US, the latter slightly affected by the sale of assets.
  - Generally speaking, growth in loans to companies, benefiting from the *Advance* strategy.
  - As regards Real Estate Activity in Spain, net lending was down 37% year-on-year, in line with the divestment strategy pursued.

Gross customer loans
€ billion



(*) Excluding exchange rate impact: +8.3%

Customer loans
% o/ operating areas. September 2015



Marketed and managed customer funds

- Total funds (deposits without repos and mutual funds) declined 4% in the third quarter (1% rise at constant exchange rates). Mutual funds increased 5% in Brazil and Chile, 4% in Mexico and 1% in the rest of countries. The only exception was Spain (-2%) due to the drop in institutional balances and the impact of markets evolution on mutual funds, as deposits from individuals rose in the quarter.

- Funds were 4% higher **than in September 2014.** Excluding the forex impact, customer deposits excluding repos rose 6% and mutual funds 12%. Overall growth was 7%, as follows:
  - Increase of more than 10% in Latin American countries and the US, and 5% in the UK. .
  - Spain's rose 2% and Portugal's and Poland's 1%, the latter two with a policy more focused on profitability, following the sharp increase in volumes in 2014.

- The general strategy to grow in demand deposits and mutual funds continued, with all countries doing so in both items and reducing time deposits.

- As well as capturing customer deposits, Grupo Santander attaches strategic importance to maintaining a selective issuance policy in international fixed income markets, seeking to adapt the frequency and volume of market operations to each unit's structural liquidity needs, as well as to the receptiveness of each market.

In the first nine months of 2015:

- Medium and long-term senior debt issues of €29,889 million, €2,839 million of subordinated debt and €2,703 million of covered bonds.
- €11,3 78 million of securitisations placed in the market.
- €31,152 million of maturities of medium and long-term debt.
- Hybrid securities were also issued, as commented on in the section on capital.

- The net loan-to-deposit ratio at the end of September remained at 116%. The ratio of deposits plus medium and long-term funding to lending was 113%, underscoring a comfortable funding structure.

Other balance sheet items

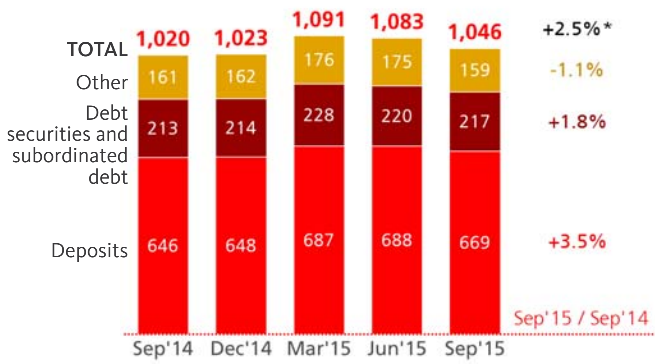
- Financial assets available for sale amounted to €117,835 million. Compared to September 2014, increases in Spain, UK and US.

- Held-to-maturity investments amounted to €4,405 million. This amount was fully generated in the third quarter, following the review of portfolios included in financial assets available for sale, whose economic logic made it more appropiate to reclassify them as held-to-maturity investments.

- Trading derivatives were around €80,000 million, both in assets and liabilities, with year-on-year rises due to changes in interest rate curves and the impact of exchange rates.

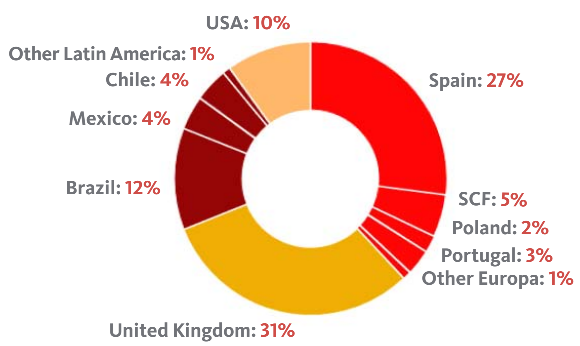
- Goodwill was €26,777 million, lower in the third quarter (-€1,817 million) as well as in the last 12 months (-€587 million). In both cases this was due to the evolution of exchange rates, particularly the Brazilian real.

Managed and marketed customer funds
€ billion



(*) Excluding exchange rate impact: +5.4%

Managed and marketed customer funds
% o/ operating areas. September 2015



- Lastly, tangible and intangible assets amounted to €27,264 million, €5,833 million more than September 2014. Increases mainly in Spain and the US (the latter due to the exchange rate and to assets associated with leasing business).

Shareholders' equity and solvency ratios

- Total shareholders' equity stood at €88,320 million at the end of September (+14% year-on-year).
- Eligible equity fully-loaded increased to €74,519 million, due to January's capital increase of €7,500 million and the year's profit, largely eroded by the negative evolution of adjustments to equity.
- The common equity Tier 1 (CET1) ratio fully-loaded was 9.85% , up 2 b.p. in the third quarter, as follows::
  - Organic generation of capital of 13 b.p. due to the ordinary profit generated in the quarter and the evolution of risk-weighted assets.
  - Non-recurring effects with a net negative impact of 11 b.p. mainly due to the evolution of treasury stock and to the impact of the markets' evolution on the valuation of portfolios classified as available for sale.
- The total capital ratio was 12.75%, as to the increase in the CET1 was added the favourable impact of the computability of T2 issues in the UK and Chile.
- From a qualitative standpoint, the Group has solid and appropriate ratios for its business model, balance sheet structure and Grupo Santander's risk profile.
- The fully-loaded leverage ratio (as under regulation 2015/621) was 4.7%.

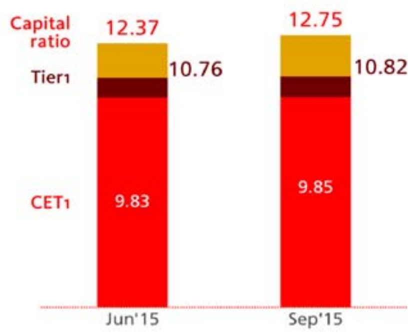
Eligible capital. September 2015

€ million

	Phase-in	Fully loaded
CET1	72,576	57,577
Basic capital	72,576	63,196
Eligible capital	**82,842**	**74,519**
Risk-weighted assets	585,816	584,322
CET1 capital ratio	**12.39**	**9.85**
T1 capital ratio	**12.39**	**10.82**
BIS ratio	**14.14**	**12.75**

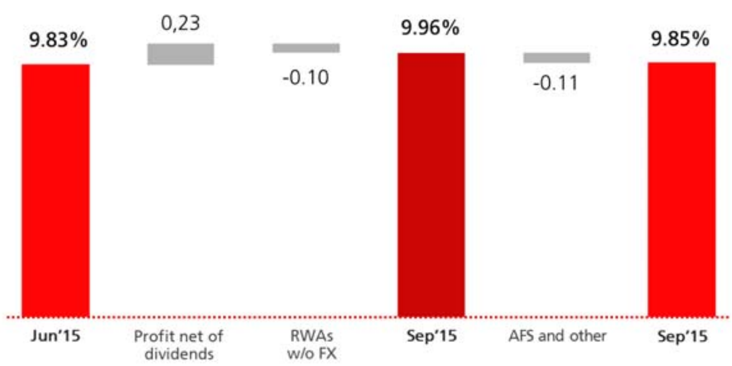
Capital ratios. Fully loaded

%



CET1 performance in the quarter

%



Risk Management

First nine months highlights

→ **Net entries of non-performing loans were 22% lower year-on-year.**

→ **The Group's NPL ratio was 4.50% (-14 b.p. in the quarter and -78 b.p. in 12 months). Of note were the falls in Spain, the UK and Mexico.**

→ **Loan-loss provisions were €7,550 million, 7% lower year-on-year (-8% excluding the exchange rate impact).**

→ **The cost of credit continued to improve to 1.26%.**

Credit risk management

- Net entries of non-performing loans in the first nine months, isolating the perimeter and exchange rate effects, were €5,464 million, 22% lower than September 2014 and mainly due to Spain.

- Bad and doubtful loans amounted to €37,856 million at the end of September, 6% lower than June 2015 and 9% year-on-year (-2% and -6%, respectively, excluding the forex effect). The Group's NPL ratio was 4.50%, 14 b.p. lower than in the second quarter of 2015 and 78 b.p. below September 2014.

- Loan-loss provisions stood at €26,918 million, which provided coverage of 71%. It should be remembered that the UK and Spain NPL ratios are affected by the weight of mortgage balances, which require fewer provisions as they have guarantees.

- The improvement in credit quality is reflected in the reduction in loan-loss provisions (7% below September 2014), and in the consequent improvement in the cost of credit (1.26% at the end of September; 1.52% a year earlier).

The NPL and coverage ratios of the main countries where the Group operates are set out below:

- **Spain's** NPL ratio was 6.61% at the end of September (-30 b.p. in the quarter). This improvement was due to the good evolution of all the portfolios, particularly SMEs and companies, and to the sale of a €130 million portfolio of bad loans. Coverage rose to 48%.

  The Real Estate unit in Spain ended September with a NPL ratio of 82% and coverage of 62%. The total coverage ratio, including the balance outstanding, was 59% and coverage of foreclosed assets 54%.

- **Santander Consumer Finance's** NPL ratio was 4.15% (-10 b.p. in the third quarter), due to a good performance in most countries. The coverage ratio was 107% (+2 b.p. over June 2015).

- **Poland's** NPL ratio was 7.14% (+7 b.p. in the quarter). Good evolution over 12 months (-28 b.p.) due to the rise in lending and containment of the NPLs of individual borrowers as well as SMEs and companies. Coverage remained at 63%.

- **Portugal's** NPL ratio was 8.86% (+6 b.p. over June 2015), due to the classification as a bad debt of a wholesale banking operation, as the rest of portfolios improved. The coverage ratio was 56% (+2 p.p.).

- In **the UK,** the NPL ratio was 1.51% (-10 b.p. in the third quarter). The improvement was due to the good performance of companies and consumer credit in an environment of tough competition and very low interest rates. The coverage ratio was unchanged at 40%.

Credit risk management*

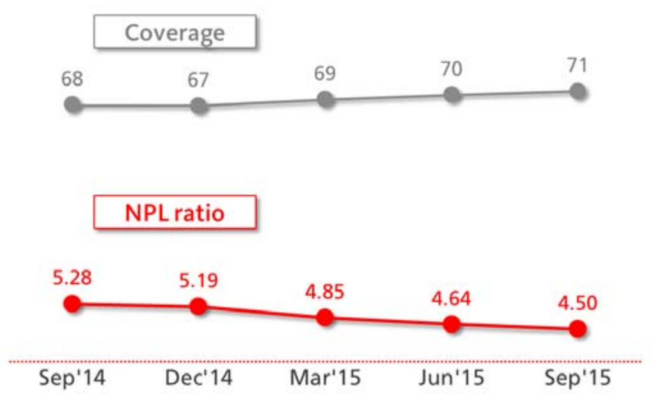
€ million

	30.09.15	30.09.14	Var. %	31.12.14
Non-performing loans	37,856	41,727	(9.3)	41,709
NPL ratio (%)	4.50	5.28		5.19
Loan-loss allowances	26,918	28,174	(4.5)	28,046
Specific	18,416	22,156	(16.9)	21,784
Collective	8,502	6,018	41.3	6,262
Coverage ratio (%)	71.1	67.5		67.2
Cost of credit (%) **	1.26	1.52		1.43

(*) Excluding country-risk
(**) 12 months net loan-loss provisions / average lending
Note: NPL ratio: Non-performing loans / computable assets

Grupo Santander. NPL and coverage ratios

%



Non-performing loans by quarter
€ million

	2014				2015		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Balance at beginning of period	42,420	42,300	42,334	41,727	41,709	41,919	40,273
Net additions	2,536	2,535	1,959	2,623	2,017	1,315	2,132
Increase in scope of consolidation	148	—	—	763	54	1	—
Exchange differences	96	293	463	(299)	853	(36)	(1,849)
Write-offs	(2,900)	(2,793)	(3,029)	(3,105)	(2,715)	(2,925)	(2,699)
Balance at period-end	**42,300**	**42,334**	**41,727**	**41,709**	**41,919**	**40,273**	**37,856**

- **Brazil's** NPL ratio was 5.30% (+17 b.p. in the quarter). The increase was due to companies and was in line with the sector in an environment of falling GDP. The coverage ratio was 96%.
- **Mexico's** NPL ratio was 3.54% (-27 b.p. in the third quarter). This fall was due to better management of recoveries in individual borrowers and SGCB, as well as growth in lending. The coverage ratio was 93% (+5 p.p. in the third quarter).
- **Chile's** NPL ratio was 5.60% (-13 b.p. in the quarter). The fall was due to the good performance of SMEs and companies. Coverage was 53% (+1 p.p.).
- In **the US,** the NPL ratio remained stable at 2.20% in the quarter and the coverage ratio dropped 6 p.p. to 218%.
  - Santander Bank's NPL ratio was to 1.15% (-4 b.p. over June 2015). Continued good performance of retail, due to the containment of NPL entries, and in companies due to more sales of portfolios. The coverage ratio was 6 p.p. lower at 118%.
  - Santander Consumer USA's NPL ratio was 9 b.p. higher over the second quarter at 3.73%. Coverage remained very high at 326%.

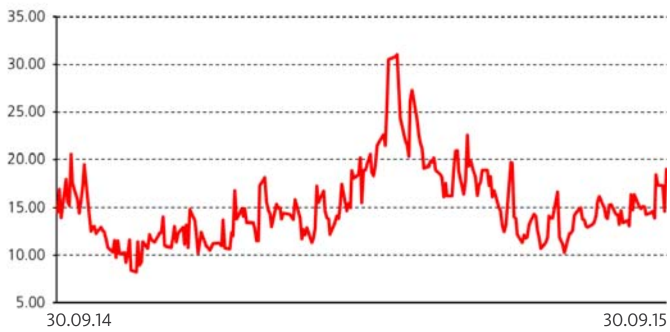
Structural FX

- As regards structural exchange rate risk, Santander maintains a high fully loaded core capital coverage level of around 100% in order to protect itself from currency movements.

Market risk

- The risk of trading activity in the third quarter of Global Corporate Banking, measured in daily VaR terms at 99%, fluctuated between €10.3 million and €19.1 million. These figures were low both in relative terms compared to our competitors as well as in relation to the Group's balance sheet and activity.
- Of note was the upward trend in VaR in September to a high for the quarter, due to increased interest rate and exchange rate exposures and volatility, mainly in Brazil and Spain.
- In addition, there are other positions classified for accounting purposes as trading. The total VaR of trading of this accounting perimeter at the end of September was €20.2 million.

Trading portfolios*. VaR performance
€ million



(*) Activity performance in Global Corporate Banking financial markerts

Trading portfolios*. VaR by region
€ million

	2015		2014
Third quarter	Average	Latest	Average
Total	**13.9**	**19.1**	**18.7**
Europe	11.6	12.8	11.1
USA and Asia	0.8	0.9	0.7
Latin America	8.4	9.7	14.9
Global activities	1.5	0.9	2.0

(*) Activity performance in Global Corporate Banking financial markerts

Trading portfolios*. VaR by market factor
€ million

Third quarter	Min	Avg	Max	Last
VaR total	**10.3**	**13.9**	**19.1**	**19.1**
Diversification efect	*(7.6)*	*(10.9)*	*(16.5)*	*(15.2)*
Interest rate VaR	11.9	14.1	20.0	15.6
Equity VaR	1.1	1.9	3.8	1.7
FX VaR	1.6	4.8	14.0	14.0
Credit spreads VaR	2.2	4.0	5.4	2.9
Commodities VaR	0.0	0.1	0.3	0.1

(*) Activity performance in Global Corporate Banking financial markerts

Description of the businesses

Some changes were made in the third quarter of 2015 to the criteria applied and to the composition of some units, in order to make the Group more transparent, facilitate analysis of all business units and enhance the value of the activity developed by the corporation. The changes of criteria are:

- Internal transfer rates (ITR) individualised by transaction were applied in Spain to calculate the financial margin, so that the balance sheet was matched in terms of interest rate risk. The counterpart of these results was the Corporate Centre. As of now, Spain is homogenised with the rest of the Group's countries and units, and all the results of financial management of the balance sheet, including the aforementioned interest rate risk, will be reported in this unit.
- The cost of AT1 issued by Brazil and Mexico to replace CET1 was assumed by the Corporate Centre as they were operations to optimise capital in these units. This cost is now recorded by each country.
- The scope of costs charged to units from the Corporate Centre is increased, in accordance with the new structure.

In addition, the Spain Real Estate unit is created, which groups together the former unit of real estate activities in Spain in run-off and other real estate assets, such as the stake in Metrovacesa and those of the former real estate fund previously included in the Corporate Centre.

The Latin America and US areas are also changed. The units of Banco Santander International and the New York branch, which were in the Latin America area, are now included in the US.

The results of the four quarters of 2014 and those of the first two quarters of 2015 of the business units and of the Corporate Centre have been re-stated in accordance with the new criteria. This mainly affected net interest income, gains on financial transactions and operating expenses. All these changes do not affect the figures of the consolidated Group, which remain unchanged.

The financial statements of each business segment have been drawn up by aggregating the Group's basic operating units. The information relates to both the accounting data of the units integrated in each segment, as well as that provided by the management information systems. In all cases, the same general principles as those used in the Group are applied.

The operating business areas are structured into two levels:

Geographic businesses. The operating units are segmented by geographical areas. This coincides with the Group's first level of management and reflects Santander's positioning in the world's three main currency areas (euro, sterling and dollar). The segments reported on are:

- **Continental Europe.** This covers all businesses in the area. Detailed financial information is provided on Spain, Portugal, Poland and Santander Consumer Finance (which incorporates all the region's business, including the three countries mentioned herewith).
- **United Kingdom.** This includes the businesses developed by the Group's various units and branches in the country.
- **Latin America.** This embraces all the Group's financial activities conducted via its banks and subsidiaries in the region. The financial statements of Brazil, Mexico and Chile are set out.
- **United States.** Includes the holding (SHUSA) and the businesses of Santander Bank, Santander Consumer USA, Banco Santander Puerto Rico, the specialised unit of Banco Santander International and the New York branch.

Global businesses. The activity of the operating units is distributed by the type of business: Retail Banking, Santander Global Corporate Banking and the Spain Real Estate Unit.

- **Retail Banking**. This covers all customer banking businesses, including consumer finance, except those of corporate banking, which are managed through SGCB. The results of the hedging positions in each country are also included, conducted within the sphere of each one's Assets and Liabilities Committee.
- **Santander Global Corporate Banking (SGCB).** This business reflects the revenues from global corporate banking, investment banking and markets worldwide including treasuries managed globally (always after the appropriate distribution with Retail Banking customers), as well as equities business.

In addition to these operating units, which report by geographic area and by businesses, the Group continues to maintain the area of **Corporate Centre**. This area incorporates the centralised activities relating to equity stakes in financial companies, financial management of the structural exchange rate position, assumed within the sphere of the Group's Assets and Liabilities Committee, as well as management of liquidity and of shareholders' equity through issues.

As the Group's holding entity, this area manages all capital and reserves and allocations of capital and liquidity with the rest of businesses. It also incorporates amortisation of goodwill but not the costs related to the Group's central services (charged to the areas), except for corporate and institutional expenses related to the Group's functioning.

The figures of the Group's various units have been drawn up in accordance with these criteria, and so do not coincide individually with those published by each unit.

Net operating income

€ million	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
Continental Europe	**1,564**	**1.6**	**2.4**	**4,843**	**9.5**	**9.3**
o/w: Spain	708	6.2	6.2	2,268	(1.9)	(1.9)
Santander Consumer Finance	575	4.8	4.8	1,662	28.7	28.7
Poland	162	(11.2)	(8.8)	534	(8.2)	(8.6)
Portugal	102	(8.8)	(8.8)	328	0.9	0.9
United Kingdom	**761**	**(2.8)**	**(3.5)**	**2,271**	**16.2**	**4.1**
Latin America	**2,667**	**(8.8)**	**2.3**	**8,392**	**4.3**	**10.4**
o/w: Brazil	1,600	(12.6)	0.7	5,251	(0.8)	11.6
Mexico	467	(6.6)	0.6	1,431	11.5	8.7
Chile	364	(1.7)	7.5	1,049	10.6	3.5
USA	**1,180**	**(7.1)**	**(6.6)**	**3,622**	**31.7**	**8.2**
Operating areas	**6,172**	**(5.3)**	**(0.1)**	**19,127**	**11.4**	**9.0**
Corporate Activities	(199)	(39.4)	(39.4)	(898)	109.9	109.9
Total Group	**5,974**	**(3.5)**	**2.0**	**18,229**	**8.8**	**6.4**

Ordinary attributable profit to the Group

€ million	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
Continental Europe	**625**	**11.6**	**12.7**	**1,825**	**74.9**	**73.9**
o/w: Spain	311	33.9	33.9	883	64.2	64.2
Santander Consumer Finance	242	0.3	0.3	702	27.6	27.6
Poland	73	(10.7)	(8.2)	243	(7.0)	(7.4)
Portugal	77	55.1	55.1	181	60.5	60.5
United Kingdom	**480**	**(12.0)**	**(12.8)**	**1,496**	**27.9**	**14.5**
Latin America	**783**	**(10.6)**	**(0.4)**	**2,500**	**18.3**	**22.0**
o/w: Brazil	385	(14.8)	(1.4)	1,315	22.1	37.4
Mexico	143	(10.6)	(3.3)	456	5.0	2.4
Chile	125	(15.2)	(7.1)	378	11.5	4.4
USA	**186**	**(14.3)**	**(13.7)**	**660**	**10.6**	**(9.1)**
Operating areas	**2,074**	**(5.7)**	**(1.4)**	**6,481**	**31.6**	**26.3**
Corporate Activities	(394)	(19.5)	(19.5)	(1,375)	144.3	144.3
Total Group	**1,680**	**(1.7)**	**3.8**	**5,106**	**17.1**	**11.8**

(*) In 2Q'15 and 9M'15 not including attributable profit of EUR 835 million due to the net result of the reversal of tax liabilities in Brazil

Customer loans w/o repos

€ million	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
Continental Europe	**290,151**	**(1.0)**	**(0.6)**	**290,151**	**3.9**	**4.3**
o/w: Spain	158,181	(2.0)	(2.0)	158,181	(1.3)	(1.3)
Santander Consumer Finance	73,329	0.8	0.8	73,329	19.9	19.9
Poland	19,374	0.8	2.0	19,374	6.8	8.6
Portugal	24,292	(0.0)	(0.0)	24,292	(0.8)	(0.8)
United Kingdom	**277,033**	**(2.4)**	**1.4**	**277,033**	**10.7**	**5.2**
Latin America	**134,723**	**(10.7)**	**5.4**	**134,723**	**(5.0)**	**18.4**
o/w: Brazil	61,628	(18.8)	4.8	61,628	(20.2)	16.0
Mexico	28,757	(1.9)	6.2	28,757	8.6	21.3
Chile	32,800	(5.5)	3.7	32,800	9.5	13.7
USA	**84,853**	**1.3**	**1.4**	**84,853**	**21.1**	**7.8**
Operating areas	**786,760**	**(3.0)**	**1.3**	**786,760**	**6.1**	**7.2**
Total Group	**790,570**	**(3.2)**	**1.1**	**790,570**	**6.0**	**7.1**

Funds (deposits w/o repos + mutual funds)

€ million	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
Continental Europe	**308,581**	**(1.2)**	**(1.0)**	**308,581**	**2.4**	**2.6**
o/w: Spain	222,193	(2.2)	(2.2)	222,193	1.8	1.8
Santander Consumer Finance	31,790	(0.1)	(0.1)	31,790	4.0	4.0
Poland	23,812	(0.4)	0.8	23,812	(0.1)	1.5
Portugal	25,580	0.9	0.9	25,580	0.8	0.8
United Kingdom	**226,596**	**(2.7)**	**1.0**	**226,596**	**11.0**	**5.5**
Latin America	**152,515**	**(11.3)**	**4.8**	**152,515**	**(8.0)**	**15.4**
o/w: Brazil	72,596	(18.8)	4.9	72,596	(21.2)	14.5
Mexico	36,520	(4.3)	3.6	36,520	0.4	12.1
Chile	28,614	(4.1)	5.3	28,614	9.2	13.4
USA	**65,905**	**0.7**	**0.8**	**65,905**	**25.1**	**11.4**
Operating areas	**753,597**	**(3.7)**	**0.9**	**753,597**	**4.1**	**6.6**
Total Group	**755,592**	**(3.7)**	**0.9**	**755,592**	**4.2**	**6.7**

Main units of Continental Europe. Spain

First nine months highlights

→ **Attributable profit of €883 million, 64% more than in the first nine months of 2014, thanks to a significant improvement in loan-loss provisions and a good performance of costs.**

→ **Engaged customer strategy via the 1|2|3 account. More than 500,000 new accounts opened since its launch.**

→ **Strengthened governance model, aligned with the rest of the Group's subsidiaries, and the creation of Santander Spain's board.**

→ **Positive evolution in new lending to individuals and SMEs, the result of the strategies implemented.**

Strategy and Activity

- The strategy for individual customers is being developed via the 1|2|3 account, whose main focus is customer engagement.

  More than 500,000 accounts were opened by the end of September, over 140,000 new payrolls were attracted and the rise in loyal customers resulted in over 250,000 new debit and credit cards. Moreover, customers meeting the *1|2|3 Mundo* requirements received a first pack of bank shares in October.

- In order to be the reference bank for SMEs, we continued to support the investment plans of our customers and all their financial and non-financial needs (training, internationalisation, digitalisation). In addition, value-added products are being structurally improved (international business, factoring, confirming, brokerage, leasing and renting), key elements for increasing their degree of loyalty.

- Loans to SMEs and micro firms amounted to €9,421 million (+22%) in the first nine months, and the pace of growth to individuals (+34%) and large companies (+14%) was maintained, although this is still not reflected in the stock which was 1% lower than in September 2014.

- Funds rose 2% year-on-year, spurred by current accounts (+15%) and mutual funds (+6%). Fall of 2% in the third quarter linked to institutional balances, as those of individuals increased.

- In order to increase customer satisfaction, a programme was launched to improve operational excellence based on digitalisation, the review of commercial processes and adapting various channels to the experience desired by the customer (mobile, branches, website, ATMs, etc).

Results

The third quarter attributable profit was 34% higher than the second quarter at €311 million. This was mainly the result of a normalisation of levels of gains on financial transactions and lower provisions.

The first nine months profit increased 64% year-on-year to €883 million.

- Gross income declined a little over 2014 in an environment of low interest rates and strong competition in lending.
- Operating expenses fell 2%, thanks to the synergies achieved with the optimization plans implemented.
- Loan-loss provisions were down 41% year-on-year, underscoring the continued normalization in a more favourable cycle, reflected in negative NPL entries.
- The NPL ratio was 6.61% (-96 b.p. year-on-year). The coverage ratio increased by 2 p.p. to 48%.
- The cost of credit improved to 0.71% from 1.21% in the first nine months of 2014.

Spain. € million

	3Q'15	o/ 2Q'15 %	9M'15	o/ 9M'14 %
Gross income	1,570	3.2	4,842	(2.1)
Net operating income	708	6.2	2,268	(1.9)
Attributable profit to the Group	311	33.9	883	64.2
Loans w/o repos	158,181	(2.0)	158,181	(1.3)
Funds	222,193	(2.2)	222,193	1.8
Efficiency ratio (with amortisations) (%)	54.9	(1.3)	53.2	(0.1)
NPL ratio (%)	6.61	(0.30)	6.61	(0.96)
NPL coverage (%)	47.8	1.0	47.8	2.3

Main units of Continental Europe. Santander Consumer Finance

First nine months highlights

→ **The agreement with PSA Finance and the integrations in the Nordic countries boost the area's growth potential.**

→ **Year-on-year growth in lending in the core countries: Spain, Germany and Nordic countries.**

→ **Attributable profit of €702 million in the first nine months, 28% more than in the same period of 2014.**

→ **Good performance of gross income, which grew well above costs and provisions.**

Strategy and Activity

- The units of Santander Consumer Finance (SCF) in continental Europe conducted their business in an environment of a recovery in consumption and car sales (+9% year-on-year in our footprint).
- The agreement with Banque PSA Finance consolidates our auto finance leadership. As regards direct business, the integration of GE Nordics increased the weight of this product in the business mix and strengthened profitable and diversified growth.
- The focuses of management this year are: progress in integrating the agreements with PSA and drive new lending and cross selling on the basis of each market, backed by the brand agreements and exploiting competitive advantages.
- SCF continued to gain market share, supported by a business model with a wide geographic diversification, critical mass in key products, better efficiency than its peers and a common system of risks and recoveries.
- New lending increased 24% year-on-year (+9% on a like-for-like basis), fuelled by direct credit and cards (+21%) and new auto finance (+40%). Of note were Spain (+27%) and the Nordic countries (+26%), while Germany was up 4%.
- Customer lending grew 20% year-on-year, mostly due to agreements and acquisitions.
- Stable customer deposits (around €32,000 million), something that marks out Santander from its competitors, and greater recourse to wholesale funding (€6,721 million issued in the first nine months, via senior debt issues and securitisations).
- Customer deposits and medium- and long-term issues-securitisations placed in the market covered 74% of net lending in the first nine months.

Results

Third quarter attributable profit of €242 million, similar to the second quarter.

First nine months profit of €702 million (+28% year-on-year), benefiting from the perimeter impact of units incorporated (GE's business in Nordic countries and Carfinco in Canada) and the PSA agreement.

- Gross income increased 25%, due to growth in net interest income that was stronger than the rise in costs (+20%), improving the efficiency ratio by 1.7 p.p. to 44.0%.
- Provisions increased 10% (well below the rise in gross income), partly due to the perimeter and partly to the release of funds in some units in the first quarter of 2014.
- The NPL ratio (4.15%) and coverage (107%) improved and are excellent for the standards of consumer business.
- Of note by units was the good performance of the Nordic countries' profits (+62%), Germany (+36%) and Spain (+9%). Italy's and Portugal's also rose, and Poland registered the only fall, due to reduced interest rates and the maximum limit set by the Lombard rate.

Santander Consumer Finance. € million

	3Q'15	o/ 2Q'15 %	9M'15	o/ 9M'14 %
Gross income	1,018	2.7	2,968	24.7
Net operating income	575	4.8	1,662	28.7
Attributable profit to the Group	242	0.3	702	27.6
Loans w/o repos	73,329	0.8	73,329	19.9
Funds	31,790	(0.1)	31,790	4.0
Efficiency ratio (with amortisations) (%)	43.5	(1.1)	44.0	(1.7)
NPL ratio (%)	4.15	(0.10)	4.15	0.18
NPL coverage (%)	107.2	2.3	107.2	0.8

Contribution to the Group's profit

Main units of Continental Europe. **Poland** (changes in local currency)

First nine months highlights

→ **Year-on-year and quarter-on-quarter rise in lending, with positive expectations for the economy.**

→ **Focus on large companies, SMEs, leasing and mortgages. Santander continues to be the market leader in cards, mobile and online banking.**

→ **In deposits, strategy to manage spreads following the successful commercial strategy of 2014 to drive deposits growth.**

→ **Revenues and costs' management in an environment of lower interest rates.**

Strategy and Activity

- The Bank continued the *Next Generation Bank* strategic programme to develop the Bank at all levels. Its main goal is to become the bank of choice.
- We continued to be the market leader in cards, mobile and online banking, marketing various products and initiatives. The *BZWBK 24* mobile channel app is regarded as the best in Poland and the second best in Europe, according to the 2015 Global Mobile Banking Functionality Benchmark drawn up by the consultancy Forrester Research and was awarded Best Mobile App at the 2015 Emerging Payments Awards.
- Loans rose 9% year-on-year, backed by the Bank's target segments: SMEs (+12%), companies (+8%), leasing (+19%) and factoring (+30%). Lending to individual customers rose 9% (mortgages +9%, cash loans +8% and credit cards +17%).
- In funds, and following the sharp increase underpinned by the successful commercial campaigns in the second half of 2014, the strategy in 2015 was more centred on management of spreads. Deposits grew 2% year-on-year (+28% from companies) and stable deposits from individuals.
- This evolution maintained our solid funding structure (net loan-to-deposit ratio of 91%).

Results

Third quarter attributable profit of €73 million, €7 million less in constant euros than in the second quarter, due to the seasonal collection of dividends (€22 million in the second quarter and zero in the third). On the other hand, net interest income rose after falling for several quarters.

The first nine months profit of €243 million was 7% lower than in the same period of 2014, as follows:

- Gross income fell 4% year-on-year due to the net impact of the following:
  - Reduction in net interest income and fee income. The first was due to lower interest rates, which particularly affected consumer interest rates because of the maximum set by the Lombard rate, and the second, because of tougher regulations that mainly hit card business.
  - On the other hand, gains on financial transactions rose sharply backed by a strategy of interest rate hedging to offset the drop in net interest income.
- Operating expenses increased 2%, partly due to the new variable remuneration plan and partly to higher regulatory costs.
- Loan-loss provisions were 4% lower and lending higher. The NPL ratio was 29 b.p. lower than in September 2014 at 7.14%.
- Our bank in Poland continued to produce better-quality results than its peers, according to the latest data available, underpinned by the success of the commercial strategy and increased productivity.

Poland. € million

	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
Gross income	309	(8.1)	(5.7)	985	(3.7)	(4.2)
Net operating income	162	(11.2)	(8.8)	534	(8.2)	(8.6)
Attributable profit to the Group	73	(10.7)	(8.2)	243	(7.0)	(7.4)
Loans w/o repos	19,374	0.8	2.0	19,374	6.8	8.6
Funds	23,812	(0.4)	0.8	23,812	(0.1)	1.5
Efficiency ratio (with amortisations) (%)	47.5	1.8		45.8	2.6	
NPL ratio (%)	7.14	0.07		7.14	(0.29)	
NPL coverage (%)	63.1	(0.4)		63.1	(2.7)	

Contribution to the Group's profit

4%

Main units of Continental Europe. Portugal

First nine months highlights

- → Commercial actions to attract individual customers and companies.
- → Market share gains in lending and deposits.
- → Attributable profit was 61% higher year-on-year, mainly due to higher net interest income and lower needs for provisions.

Strategy and Activity

- The Bank's strategy continued to focus on managing spreads on loans, gaining more market share, particularly in companies, controlling NPLs and improving efficiency.
- Of note in the first nine months, and among the main commercial actions, was the launch of the *Mundo 1|2|3* account in order to grow in the market's medium segment. Since its launch on March 2, the number of 1|2|3 customers has grown to around 60,000 (40,000 in June).
- The Bank is still very focused on attracting new company clients, backed by the *Santander Advance* programme which has become a key tool (7,450 accounts opened for shops and SMEs since its launch at the end of 2014).
- These strategies are reflected in a slower decline in lending (-1% year-on-year), and in a rise in credit to companies compared to a fall for the market as a whole. Of note in 2015 were market shares in new lending of 15.0% in companies and 17.2% in mortgages.
- Funds rose slightly, within the strategy of increasing demand deposits (+18%) and mutual funds (+20%), while time deposits declined 5%. This produced a further improvement in the cost of deposits.
- This performance enabled the increase in the market share of the stock, around half a percentage point on loans and deposits.

Results

The third quarter attributable profit was €77 million, well above the second quarter's €49 million, favourably impacted by the gains from the sale of the stake in Banco Caixa Geral Totta Angola (€39 million before tax).

The first nine months profit was 61% higher year-on-year at €181 million. This was due to the good performance of the main lines of the income statement:

- In gross income, net interest income increased due to the better cost of funding, partly offset by the fall in fee income and gains on financial transactions.
- Costs edged down (-0.2%), due to the commercial network's optimization in accordance with the business environment.
- Loan-loss provisions were 37% lower and the cost of credit improved to 0.35%. In local criteria, the NPL and coverage ratios continued to be better than the system's averages.
- And the result of the sale of the stake already commented on.

Portugal. € million

	3Q'15	o/ 2Q'15 %	9M'15	o/ 9M'14 %
Gross income	226	(3.4)	698	0.3
Net operating income	102	(8.8)	328	0.9
Attributable profit to the Group	77	55.1	181	60.5
Loans w/o repos	24,292	(0.0)	24,292	(0.8)
Funds	25,580	0.9	25,580	0.8
Efficiency ratio (with amortisations) (%)	54.9	2.6	52.9	(0.3)
NPL ratio (%)	8.86	0.06	8.86	0.37
NPL coverage (%)	56.2	2.0	56.2	2.3

United Kingdom (changes in sterling)

First nine months highlights

- Strong business flows in both retail and corporates, with growth in current account and mortgages as well in corporate lending.
- Attributable profit up 14% year-on-year, driven by net interest income and drop in provisions.
- Ongoing investment, to grow the business and underpin future efficiency improvement.
- The *1I2I3 World* customers continued to grow, with improved customer loyalty, activity levels and risk profile.

Strategy and Activity

- Lending increased 5% compared to September 2014, largely due to corporate lending (+12%), mortgages (+2%) and unsecured consumer and vehicle finance lending (+45%). The PSA Finance UK limited joint venture completed in February 2015.
- New gross mortgage lending was £19,600 million, including £3,500 million to first time buyers. Growth is expected to be in line with the market for the remainder of the year.
- Support for UK businesses continued despite a contracting market, with lending to corporates up 12% year-on-year. This performance is underpinned by the broader product suite and extended footprint now in place.
- Strong growth in customer deposits (+6% over September 2014) was driven by increased current accounts which have grown by £1bn per month since end 2012 (+34% over September 2014). Corporate current account volumes rose by 27%.
- *1I2I3 World* customers increased to 4.6 million, up 1.3 million in the last 12 months and with 95% of 1I2I3 current account customers having their primary bank account with us. Santander UK remained first choice for current account switchers since September 2013.
- Significant improvement in customer satisfaction over the last three years, with continued focus on further improvement.
- Santander UK is focused on maintaining a strong balance sheet. At the end of September 2015, the CRD IV end point Common Equity Tier 1 capital ratio stood at 11.7% and leverage ratio improved to 4.1% from 3.8% in December 2014.

Results

The third quarter attributable profit of £343 million, 13% lower than the second quarter, largely as a reduction in net fee income of the Global Corporate Banking segment and an additional £43m conduct remediation provision relating to wealth and investment products.

Attributable profit in the first nine months of £1,087 million (+14% year-on-year) increased due to higher net interest income and lower loan loss provisions:

- Net interest income rose 6% year-on-year, underpinned by margin improvements and higher volumes. Net interest income / average customer assets improved to 1.84% in the first nine months of 2015, from 1.81% in the same period of 2014.
- Operating expenses increased as a result of investment in business growth, and the continued enhancements to our digital channels. These strategic investments underpin future efficiency improvements.
- Loan-loss provisions fell 74%, with improved credit quality across the loan portfolios, conservative loan-to-value criteria, and supported by a benign economic environment. In addition, in the third quarter of 2015 provisions were released related to portfolio disposals and improvements in the credit quality of the mortgage book.

United Kingdom. € million

		o/ 2Q'15			o/ 9M'14	
	3Q'15	%	% w/o FX	9M'15	%	% w/o FX
Gross income	1,605	(1.3)	(2.0)	4,781	16.6	4.4
Net operating income	761	(2.8)	(3.5)	2,271	16.2	4.1
Attributable profit to the Group	480	(12.0)	(12.8)	1,496	27.9	14.5
Loans w/o repos	277,033	(2.4)	1.4	277,033	10.7	5.2
Funds	226,596	(2.7)	1.0	226,596	11.0	5.5
Efficiency ratio (with amortisations) (%)	52.6	0.7		52.5	0.1	
NPL ratio (%)	1.51	(0.10)		1.51	(0.29)	
NPL coverage (%)	39.6	(0.7)		39.6	(3.8)	

Contribution to the Group's profit

Main units of Latin America. **Brazil** (changes in local currency)

First nine months highlights

→ **Strategy to boost the number of customers, their engagement and more sustainable revenues with lower risk.**

→ **Positive revenues trend, with double-digit year-on-year growth in loans and funds.**

→ **Third quarter profit of €385 million. Ordinary profit for the first nine months was 37% higher year-on-year due to more revenues and control of costs.**

→ **Additionally, in the second quarter the Group recorded attributable profit of €835 million, due to the net result of the reversal of tax liabilities.**

Strategy and Activity

- The strategy continued to focus on making the bank simpler, more modern and a better experience for our customers. Of note in the third quarter were:
  - Relaunch of the *Van Gogh* segment for medium-high income clients, with a competitive offer of products, services, customer attention and a financial focus adjusted to this segment.
  - Strong campaign – *Vale a Pena Ser Digital* - to digitalise customers. As a result, new mobile banking and the simplification onboarding process with the *"boas vindas"* welcome pack are reflected in a digital customer increase.
  - We continued to make progress in transformation processes: commercial model (*CERTO*); processes of opening of accounts with delivery of cards and PIN the same day; digital channels that are simpler and more accessible; strengthening of acquiring activity; drive in payroll business, following the link up with Banco Bonsucesso, and consolidation of the financial and non-financial offer for SMEs, following the launch of *Santander Negocios y Empresas*.
- Lending rose 16% year-on-year and 5% in the third quarter. In both cases, impact of the exchange rate on dollar portfolios, and perimeter impact on year-on-year comparison from the entry of Bonsucesso. Excluding this, +7% year-on-year and +1% in the quarter.
- Strong year-on-year growth in lending to companies and big companies (+31%, partly aided by balances in dollars) and mortgages for individual borrowers (+28%). Improved trend in credit to SMEs (+7% year-on-year).
- Funds grew 15%, with a good performance of mutual funds (+20%), time deposits (+10%) and demand deposits (+8%).

Results

The third quarter profit was €385 million, affected by the real's depreciation (-1% in constant euros). Of note was the growth in net interest income and fee income, a lower tax charge and more loan-loss provisions due to the small rise in non-performing loans (mainly in companies), in line with the sector's trend.

The first nine months ordinary profit (excluding the reversal of tax liabilities in the second quarter) was €1,315 million (+37% y-o-y).

- Gross income rose 9%, thanks to a good evolution of net interest income (+8%), which increased for the fourth quarter running, and fee income (+10%). Of note were the revenues from cards (acquiring), insurance and foreign trade.
- Operating expenses increased 5% (inflation of 9.5% in September). In real terms and on a like-for-like basis, they fell 6%, reflecting the efforts made in prior years to improve efficiency and productivity.
- Loan-loss provisions declined 1%, as a result of selective growth of the portfolio (profitability/risk mix), which was reflected in the year-on-year improvement in credit quality indicators: the cost of credit dropped 74 b.p. to 4.4% and the NPL ratio fell 34 b.p. to 5.30%.

Brazil. € million

	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
Gross income	2,656	(10.9)	2.5	8,643	(3.3)	8.8
Net operating income	1,600	(12.6)	0.7	5,251	(0.8)	11.6
Ordinary attributable profit to the Group	385	(14.8)	(1.4)	1,315	22.1	37.4
Loans w/o repos	61,628	(18.8)	4.8	61,628	(20.2)	16.0
Funds	72,596	(18.8)	4.9	72,596	(21.2)	14.5
Efficiency ratio (with amortisations) (%)	39.7	1.1		39.3	(1.5)	
NPL ratio (%)	5.30	0.17		5.30	(0.34)	
NPL coverage (%)	96.0	0.1		96.0	4.6	

Contribution to the Group's profit

Main units of Latin America. **Mexico** (changes in local currency)

First nine months highlights

→ **The commercial strategy continued to reflect growth in business volumes and market share gains.**

→ **Focus on the most profitable segments (*Select*, SMEs, companies) and on service quality.**

→ **Pre-tax profit rose 7% year-on-year, mainly driven by gross income.**

Strategy and Activity

- Lending increased 21% year-on-year and deposits without repos 16%. Growth benefited from the greater installed capacity, combined with improvements in segmentation of customers and sales platforms.
- Improved offer for SMEs, new funding support for young entrepreneurs and businesswomen.
- In mortgages, improved processes with the new online assessment tool. In addition, new offers were launched for home developers and we participated in the purchase of INFONAVIT portfolios *(Instituto del Fondo Nacional de la Vivienda para los Trabajadores)*
- In companies and institutions, we consolidated a new commercial system via our specialised customer relationship management (CRM) *Neo Júpiter BEI*. There are also new commercial initiatives focusing on the attraction and penetration of the automotive sector.
- All of the above steps fuelled lending (+21%). Consumer credit was up 33% year-on-year and continued to notch up record months. Loans to SMEs increased 24%, mortgages (+14%) and companies (+22%), while credit card loans accelerated in the third quarter (+9%), reflecting the focus and commercial effort in a market that did not grow in year-on-year terms.
- Deposits grew and their structure improved, as the demand deposits of individuals were up 22%. Mutual funds increased 5% and insurance business strengthened with the broader array of products and new digital marketing and customer attention platforms.
- Lastly, multi-channel activity continued to be fostered (119 new ATMs in the third quarter, mobile and online banking initiatives) and development of strategic alliances with companies, which enabled us to expand our basic banking services via a network of 17,000 shops.

Results

The first nine months pre-tax profit increased 7%. After deducting taxes (tax rate of 22%, and 20% in September 2014) and minority interests, attributable profit was €456 million (+2% year-on-year).

- Gross income rose 7% year-on-year. Net interest income was 13% higher due to further growth in lending, which offset interest rates still at very low levels. Fee income increased 3%, notably from insurance and transactions. Gains on financial transactions, on the other hand, declined 28% because of the persistently lacklustre markets.
- Costs grew 6% year-on-year due to the greater installed capacity and new commercial projects to increase attraction and penetration.
- Loan-loss provisions increased 11%, due to the faster rise in lending and the cost of credit improved by 39 b.p. year-on-year.

Profit was 3% lower than the second quarter, due to higher provisions (lending up 6%), with stable revenues and costs.

Mexico. € million

		o/ 2Q'15			o/ 9M'14	
	3Q'15	%	% w/o FX	9M'15	%	% w/o FX
Gross income	794	(7.0)	0.4	2,467	10.2	7.4
Net operating income	467	(6.6)	0.6	1,431	11.5	8.7
Attributable profit to the Group	143	(10.6)	(3.3)	456	5.0	2.4
Loans w/o repos	28,757	(1.9)	6.2	28,757	8.6	21.3
Funds	36,520	(4.3)	3.6	36,520	0.4	12.1
Efficiency ratio (with amortisations) (%)	41.2	(0.2)		42.0	(0.7)	
NPL ratio (%)	3.54	(0.27)		3.54	(0.20)	
NPL coverage (%)	93.0	5.5		93.0	2.9	

Main units of Latin America. Chile (changes in local currency)

First nine months highlights

- **The commercial transformation was reflected in greater activity in the target segments of lending and funds.**
- **Increase in loyal customers. Customer attention quality maintained and migration to *Select*.**
- **Attributable profit of €378 million in the first nine months, 4% higher and improving year-on-year trend quarter after quarter.**

Strategy and Activity

- Santander is the leading bank in Chile in terms of assets and customers and has a marked retail focus (individuals and SMEs). The Group maintains its strategy of improving long-term profitability in a scenario of lower spreads and tougher regulations.
- The focus in the third quarter was on maintaining the quality of customer attention and business dynamism.
- New branches continued to be opened and exclusive *Select* spaces, with specialised executives. Further progress was made in the new model of traditional network branches.
- In SMEs, the new *Advance* strategy was launched in order to manage customers integrally, improve the quality of service and respond to their particular needs. This strategy is supported by *Neo Advance* developments and the customer relationship model for SMEs.
- These actions boosted customers and business. Total customers grew 3% year-on-year, notably growth in loyal customers, those of the greatest contribution (+9%), particularly SMEs (+14%) and high-income (+11%).
- Lending increased 14% year-on-year, with a greater advance in target segments: companies and SMEs (+13%) and high-income clients (+18%). Mortgages rose 18% year-on-year. Funds were up 13%, particularly demand deposits (+16%).

Results

Attributable profit was €125 million in the third quarter. Positive performance of gross income, notably that of net interest income, fee income and gains on financial transactions (due to volatility of exchange rates). On the other hand, higher provisions due to specific events with companies.

Profit for the first nine months was €378 million, 4% higher than in the same period of 2014, following a year-on-year improvement quarter after quarter.

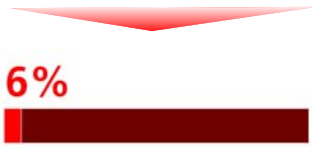
By lines:

- Gross income increased 6%, with the higher volume of lending, a lower cost of funding, more fee income, gains on financial transactions and a good dynamic with customers activity offsetting the impact of the lower rate of change of the UF (+2.9% as against +3.7% in the same period of 2014).
- Costs increased 9% due to the rises steming from the indexation of rentals and salaries to year-on-year inflation, as well as the impact of the peso's depreciation on IT service contracts indexed to the dollar and the euro.
- The cost of credit fell: loan loss provisions rose 5%, below the growth in lending.

Chile. € million

	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
Gross income	606	(4.3)	4.9	1,792	13.0	5.8
Net operating income	364	(1.7)	7.5	1,049	10.6	3.5
Attributable profit to the Group	125	(15.2)	(7.1)	378	11.5	4.4
Loans w/o repos	32,800	(5.5)	3.7	32,800	9.5	13.7
Funds	28,614	(4.1)	5.3	28,614	9.2	13.4
Efficiency ratio (with amortisations) (%)	40.0	(1.6)		41.5	1.3	
NPL ratio (%)	5.60	(0.13)		5.60	(0.38)	
NPL coverage (%)	52.8	1.2		52.8	0.5	

Contribution to the Group's profit



Other Latin American units. Argentina (changes in local currency)

First nine months highlights

→ **Credit and deposit growth and trends in line with the markets.**

→ **Attributable profit increased 17% year-on-year and 12% in the third quarter. Both due to higher revenues.**

→ **Commercial revenues grew because of greater activity and transactions (collections, means of payment, etc).**

→ **Operating expenses increased because of the opening of more branches and transformation projects.**

Strategy and Activity

- The Bank's commercial strategy continued to focus on greater penetration and engagement with high income and SME segments.
- The *Select* products were strengthened for high-income clients and new spaces and specialised corners continued to be opened. This boosted cross-selling, transaction engagement and the profitability of these clients.
- *Santander Río Advance* was launched in April in order to bolster the SME segment. The financial proposal commits us to respond to loan requests within five days and the non-financial one offers business training and international projection for their businesses, among other things.
- The expansion and transformation plan continued, with the opening of 37 new branches in the first nine months and 141 branches have been totally transformed. Some 200,000 customers now use the *Santander Río Mobile* app.
- Credit rose 50% year-on-year, particularly to companies and consumer loans. Deposits increased 42%.

Results

Attributable profit was 12% higher than in the second quarter, due to commercial revenues (+8%).

The first nine months profit was €274 million, 17% higher than in the same period of 2014.

- The success of the commercial strategy was reflected in a 25% rise in revenues (+37% net interest income).
- Costs increased 42% due to branch openings, transformation and IT projects and the revision of the wage agreement. Net operating income was up 9%.
- Loan-loss provisions declined 5%. Credit quality was high: cost of credit of 1.99%, a NPL ratio of 1.54% and coverage of 168%. All of them were notably better in the last 12 months.

Other Latin American units. Peru (changes in local currency)

First nine months highlights

→ **Lending and deposits remained strong.**

→ **Attributable profit increased 42% year-on-year due to higher revenues.**

Strategy and Activity

- The strategy continued to focus on more lending to the corporate segment, global clients and the country's large companies.
- Particular importance attached to close relations with customers and quality of service, exploiting synergies with the Group's other units.
- Lending rose 16% year-on-year and deposits at the same pace, complemented by stable growth in medium-term financing.

Results

- The third quarter attributable profit was €8 million, similar to the second quarter.
- The first nine months profit was €23 million, spurred by net operating income (+60% year-on-year). This, in turn, increased because of the improvement in efficiency (gross income:+47%; costs:+26%).
- Loan-loss provisions increased 23% from a very small base. The NPL ratio was just 0.22% and coverage is very high.

Other Latin American units. Uruguay (changes in local currency)

First nine months highlights

→ **Crédito de la Casa, the country's fourth largest consumer credit institution, was bought in July, consolidating Santander with a 28% market share of finance companies and 25% of consumer credit among private sector banks.**

→ **Double-digit growth in loans and deposits.**

→ **Attributable profit increased 41% year-on-year and 43% in the third quarter (+35% and +27%, respectively, on a like-for-like basis).**

Strategy and Activity

- The Group is the country's leading private sector bank, with a strategy focused on growing in retail banking and improving efficiency and the quality of service.
- Of note was the launch of initiatives to reduce waiting times in branches, a new app with an innovative information service on the nearest branch and occupancy levels, and the *EMV Chip* to improve the security of cards.
- Loans grew 20% year-on-year (+17% excluding perimeter): consumer credit (+16%) and SMEs (+32%). Deposits rose 21%. Santander acted as the placement agent for an issue of sovereign bonds in New York.

Results

Attributable profit in the third half was €22 million, including around €2 million from the entry of loans from Casa. The third quarter profit was 43% higher than the second quarter's (+27% on a like-for-like basis), due to higher growth in revenues than in costs and stable provisions.

- The attributable profit for the first nine months was €54 million, spurred by a 49% rise in net operating income.
- Costs were also controlled (+6%), thanks to the efficiency plan developed in 2014.
- These changes produced an improvement of 8 p.p. in the efficiency ratio to 56% at the end of September.
- Loan-loss provisions increased, though from a low base, and credit quality remained excellent (NPL ratio of 1.05% and coverage of 244%).

Other Latin American units. Colombia

- Banco Santander de Negocios Colombia began to operate in January 2014. The new bank has a banking licence and share capital of $100 million. It specializes in the corporate and business market, with a particular focus on global clients, customers of the Group's International Desk programme and those local clients in the process of internationalizing.
- Its main products are for investment banking and capital markets, transaction banking, treasury and risk coverage, foreign trade financing and working capital financing products in local currency, such as confirming.
- The bank reached a point of equilibrium in the second quarter of 2015 between revenues and costs.

United States (changes in dollars)

First nine months highlights

→ **Continued investment to improve commercial activity and comply with regulatory requirements.**

→ **Santander Bank grew selectively in deposits and loans.**

→ **Santander Consumer USA kept up its strong growth in new lending and servicing activity.**

→ **Attributable profit was 9% lower year-on-year (+11% in euros).**

Strategy and Activity

- Santander in the United States includes the holding SHUSA, commercial banking via Santander Bank and Banco Santander Puerto Rico, as well as the specialised consumer finance activity of Santander Consumer USA (SCUSA), the specialised asset management of non-resident clients via Banco Santander International (BSI), Santander Investment Securities (SIS), which acts as a broker, and the New York branch.
- Santander US continued to strengthen its management teams, risk management models, data bases and basic control functions. This is part of a multi-year project to improve the Bank and comply with the regulator's expectations.
- On July 3, Grupo Santander announced it had reached an agreement to buy DDFS LLC's 9.68% stake in SCUSA. After this operation, subject to the corresponding regulatory approvals, the Group's stake will rise to around 68.7%.
- Santander Bank's lending increased 8% year-on-year, excluding the impact of portfolio sales and securitisations.

  The strategy in funds is to increase core deposits and reduce balances of the more expensive time deposits. Funds increased 1.5% in the quarter and 8% year-on-year, underpinned by the rise in current accounts, which is reflected on the continuous increase of core deposits in the last four quarters.
- SCUSA continued its strategy to diversify its business mix between assets retained on the balance sheet, assets sold and more servicing of portfolios.
- Puerto Rico maintained its strategy of deleveraging in order to reduce the balance of loans and BSI grew organically.

Results

The first nine months attributable profit was €735 million, 9% less than the same period of 2014, due to higher costs, provisions and minority interests, which more than offset revenue growth.

- Gross income rose 10%, mainly due to SCUSA, as a result of the larger volume of portfolios, which spurred net interest income, as well as fee income from servicing. Santander Bank's net interest income is under pressure from lower than expected interest rates, offset by gains on financial transactions.
- Costs increased 12%, due to the efforts made in regulatory compliance and IT investments.
- Loan-loss provisions rose 6%, due to both SCUSA, because of the higher level of retention of loans, as well as Santander Bank, which shows a trend of normalization after recording very low levels in 2014 (recoveries in the first quarter).

United States. € million

		o/ 2Q'15			o/ 9M'14	
	3Q'15	%	% w/o FX	9M'15	%	% w/o FX
Gross income	1,952	(2.4)	(1.8)	5,820	33.2	9.5
Net operating income	1,180	(7.1)	(6.6)	3,622	31.7	8.2
Attributable profit to the Group	186	(14.3)	(13.7)	660	10.6	(9.1)
Loans w/o repos	84,853	1.3	1.4	84,853	21.1	7.8
Funds	65,905	0.7	0.8	65,905	25.1	11.4
Efficiency ratio (with amortisations) (%)	39.6	3.1		37.8	0.7	
NPL ratio (%)	2.20	—		2.20	(0.37)	
NPL coverage (%)	218.3	(5.9)		218.3	34.6	

Corporate Centre

First nine months highlights

→ **Higher losses year-on-year due to lower results from centralized management of the various risk (mainly interest rate and exchange rate risks) due to reduced revenues from the portfolio of assets, mainly related to interest rate hedging, as well as higher provisions to bolster the balance sheet.**

→ **Lower loss in the third quarter than in the second, mainly due to higher gains on financial transactions related to exchange rate hedging.**

Strategy/functions and activity

- Functions developed by the Financial Management area:
  - Structural management of liquidity risk to finance the Group's recurring activity, the financial stakes and management of the net liquidity related to the needs of some of the business units.
  - This activity is carried out using diversified funding instruments (issuances and other), maintaining an adequate profile (volumes, maturities and costs). The price at which these operations with other Group's units are conducted is the market rate (euribor or swap) plus the premium which, in concept of liquidity, the Group supports by immobilizing funds during the term of the operation.
  - Also, active management of interest rate risk to soften the impact of interest rate changes on net interest income, conducted via derivatives of high credit quality, very liquid and low capital consumption.
  - Strategic management of the exposure to exchange rates on equity and on the counter value of the units' results in euros for the next 12 months. Net investments in equity covered by EUR 15,065 million (mainly Brazil, UK, Mexico, Chile, US, Poland and Norway) with various instruments (spot, fx or forwards).
- Total management of capital and reserves: assigning capital to each of the units.
- Lastly, and marginally, the Corporate Centre reflects the stakes of a financial nature that the Group has under its policy of optimizing investments.

Results

In year-on-year terms:

- Lower revenues due to reduced results from centralized management of the various risk (mainly interest rate and exchange rate risks), which were very partly offset by the lower financial cost of issues due to the decline in interest rates, as well as lower volumes.
- Costs remained flat. The expenses related to ongoing corporate operations are registered here, until launched, and costs emanating from regulatory requirements.
- Other income, including provisions and various contingencies, recorded losses of €378 million, up from €128 million in the first nine months of 2014. This was due to provisions to reinforce the balance sheet.

The lower losses in the third quarter than in the second were mainly due to higher gains on financial transactions, partly because of results in hedging of exchange rate risk.

Corporate Centre. € million

	3Q'15	2Q'15	% Var,	9M'15	9M'14	% Var,
Gross income	(56)	(177)	(68.2)	(463)	9	—
Net operating income	(199)	(327)	(39.4)	(898)	(428)	109.9
Attributable profit to the Group	(394)	(489)	(19.5)	(1,375)	(563)	144.3

Retail Banking

First nine months highlights

→ **We continued to transform our retail banking model into one that is increasingly more simple, personal and fair.**

→ **Customer-focused, developing specialized models, ranges of simple products and global proposals.**

→ **Drive in multi-channels, particularly digital ones.**

→ **At the close of September, the Group had 13.4 loyal customers and 15.7 million digital customers.**

→ **Ordinary profit of €5,456 million, 33% more than in the first nine months of 2014 (+27% excluding the forex effect).**

Strategy and activity

The bank continued to transform its retail banking, making progress in the main lines: enhanced knowledge of our customers, specialised management of each segment and differentiated value proposals, installing a multi-channel distribution model with the thrust of digital channels, and projects to improve customer satisfaction.

The Group ended September with 13.4 million loyal customers and 15.7 million digital ones, in both cases higher than at the end of June.

In order to **increase business productivity and customer satisfaction,** the commercial *NEO CRM* tool continued to be rolled out so as to have a 360º view of customer performance and relations with the Bank. It is already installed in Chile (the origin of this best practice), Brazil, US and Spain, and is being developed in the rest of units.

In order to **improve long-term engagement and relations with customers,** differentiated value proposals were launched in several countries:

- The *1|2|3 account* was launched in Spain in May and well received. At the end of September over 500,000 of these accounts were opened, 140,000 of which by customers who moved their payroll cheques from other banks.
- In the *Select* segment, the *Select Premium Portfolios* were launched in Germany, which includes three strategic portfolios based on clients' risk profiles, and the *Select Expat* in Mexico for executives working in companies abroad.
- In protection insurance, the welcome calls to new customers implemented in Spain, Mexico and Brazil are achieving substantial improvements in customer satisfaction.
- Relations with private banking clients were strengthened by the *Santander Private Banking Business School* programme, designed to support the training of the children and relations of clients in managing their finances.

We continued to strengthen support for **SMEs and companies:**

- *Santander Advance* is now installed in eight countries and continues to increase its value offer.
- The *Santander Trade* portal is now available in 12 countries and is used by more than 30,000 exporters and importers.

The digital transformation, a recognised strategic priority, is manifested in improvements in commercial websites, as well as the launch of new apps and developments for mobile phones, such as, *Cash KiTTi* and *Spendlytics* in the UK.

Underlining the progress in this field was the recognition of the new mobile app launched in Poland as the country's best and the second best in Europe, according to the 2015 Global Mobile Banking Functionality Benchmark report by the consultancy Forrester Research. Santander Río was also chosen as Argentina's best digital bank.

Results (in constant euros)

The ordinary profit for the first nine months was €5,456 million, 2% higher in the quarter and 27% year-on-year

- This was due to the good evolution of gross income (+8% y-o-y, thanks to net interest income). Costs rose 7% (+1% on a like-for-like basis and in real terms), while provisions dropped 8% from the first nine months of 2014.

Retail Banking. € million

		o/ 2Q'15			o/ 9M'14	
	3Q'15	%	% w/o FX	9M'15	%	% w/o FX
Gross income	10,094	(2.9)	1.9	30,726	10.8	8.2
Net operating income	5,473	(3.9)	1.1	16,746	12.6	9.6
Ordinary attributable profit to the Group	1,794	(1.8)	2.1	5,456	33.4	26.6
Loans w/o repos	690,824	(2.9)	1.3	690,824	6.1	6.4
Funds	693,595	(3.6)	0.9	693,595	4.7	6.8

Santander Global Corporate Banking (SGCB)

First nine months highlights

→ **Attributable profit of €1,304 million, 2% lower year-on-year, due to higher costs from the investment in franchise development.**

→ **Gross income increased driven by net interest income and fee income. Provisions remained virtually unchanged.**

→ **Reference positions in corporate loans, project finance and issues, among others, in Europe and Latin America.**

Strategy and Activity

SGCB maintained the lines of action begun in 2014: develop the sale of products to all the Bank's clients, foster transaction business, deepen the creation of the customer franchise in the UK, the US and Poland and step up our coverage in Asia and the Andean region, in line with the Group's expansion in these areas.

Of note in the third quarter were:

- ***Trade Finance***, strong progress in export finance to support clients in new markets and successful development of project finance business covered by export credit agencies. The Group is the global reference (second in the global league tables), holding leading positions in all the relevant industries in our core markets.
- ***Cash Management***, made a solid contribution in all countries, particularly in Mexico, Brazil and the UK. Mandates were won in the third quarter, strengthening our Latin American and European regional leadership.
- In ***syndicated corporate loans***, we continued to be the reference in Europe and Latin America, participating in the main acquisitions in the markets where we operate: IAG (Aer Lingus), Barceló (Occidental), Vidrala (Encirc), Royal Dutch Shell (BG Group), Abertis, CCR, Companhia de Locação das Américas, Fibra Uno, Pemex and Kulcyk Investments (CIECH).
- Of note in ***Corporate Finance***, was the greater activity in Europe for equity capital markets, particularly our participation in the listing of CELLNEX in Spain, as well as the capital increases of Monte de Paschi di Siena and Carige in Italy.
- In the debt ***capital markets***, Santander heads the Latin American ranking with a full range of products covering local as well as cross-border needs. Success in Europe in liability management and hybrid capital transactions.
- In ***Project Finance***, Santander is one of the leaders in the American league tables. It is the reference bank in the US for renewable energy projects, among which is the $250 million Mustang solar project, fully structured and underwritten by Santander. Participation in Europe included underwriting the £1 billion Thames Tideway financing, structured under the novel modality of a revolving credit facility with a British government guarantee.
- ***A&CS***, good quarter with asset finance operations for ships and aircrafts in Spain, Asia and the Middle East.
- As regards ***Markets*** activity, positive evolution of revenues from sales business, particularly in the corporate segment. Strong growth in Latin America and the UK. Lower year-on-year contribution from the management of books.

Results (in constant euros)

Results were backed by the strength and diversification of customer revenues (87% of the total). SGCB generated 11% of gross income and 19% of the Group's attributable profit from the operating areas.

- Gross income increased 3% year-on-year. Of note was the 6% rise in that from global transaction banking in an environment of contained spreads and low interest rates, and the 10% increase from financing solutions and advisory. This reflected the strength of the various businesses. The good performance in Latin America of global markets offset the lower contribution from European units.
- Costs were higher because of investments in high growth potential markets, particularly in the US, UK, Poland and Asia, and loan-loss provisions increased 1.6%.

Santander Global Corporate Banking. € million

		o/ 2Q'15			o/ 9M'14	
	3Q'15	%	% w/o FX	9M'15	%	% w/o FX
Gross income	1,253	(7.5)	(2.5)	4,005	3.9	3.3
Net operating income	732	(12.0)	(5.8)	2,452	(1.4)	(0.6)
Ordinary attributable profit to the Group	396	(12.1)	(7.1)	1,304	(2.3)	(1.6)
Loans w/o repos	89,036	(3.8)	2.4	89,036	10.0	17.6
Funds	59,810	(5.0)	0.6	59,810	(1.8)	4.2

Corporate governance

Changes to the board's regulations

- The board, at its meeting on July 29, agreed to modify its regulations in order to bring them into line with the reform of by-laws approved at the ordinary general meeting of shareholders on March 27 so as to adapt the statutes to the new developments in the sphere of corporate governance introduced by Law 31/2014 of December 3, 2014, which changes the Corporation Law in order to enhance corporate governance.

  The change in the regulations also aims to review and adapt the Bank's corporate governance rules to the recommendations that are applicable to it as a listed company and as a credit institution, for which the new code of good governance of listed companies published by the National Securities Market Commission in February 2015 was taken into account, as well as the internal governance guide of the European Banking Authority and the new Basel guide on banks' corporate governance published on July 8.

  Lastly, come changes were introduced to the board's committees, as well as certain technical improvements and to the Bank's internal governance rules.

- The board, at its meeting on September 29, agreed to modify the regulation so that the maximum number of members of the innovation and technology committee is eight.

Changes to the composition of the board and its committees

- Ms. Sheila C. Bair resigned as a director of the Bank effective October 1, following her recent appointment as the rector of Washington College.

- Following the verification on September 21 by the European Central Bank of the suitability of Mr. Ignacio Benjumea Cabeza de Vaca as a non-executive director of the Bank, his appointment to the board was made effective and his incorporation to the executive, risk, appointments and remuneration committees. He also joined the technology and innovation committee on September 29 and the risk supervision, regulation and compliance committee on October 1 in place of Ms. Sheila C. Bair.

Appointments at the subsidiaries in Mexico, Brazil and the United States (1)

- Mr. Marcos Martínez Gavica was appointed chairman of the board of Grupo Financiero México, S.A.B. de C.V. and of Banco Santander (México), S.A. Institución de Banca Múltiple, Grupo Financiero Santander México, as of January 1, 2016, and Mr. Héctor Grisi Checa was named executive chairman and director general of these entities, as of December 1, 2015.

- Mr. Sérgio Rial, non-executive chairman of the board of Santander Brazil, S.A., was appointed executive chairman and the Group's country head in Brazil as of January 1, 2016.

- Mr. Scott Powell, CEO of Santander Holding USA, Inc. and the Group's country head in the United States, was appointed CEO of Santander Bank, N.A., and Mr. Jason Kulas was appointed CEO of Santander Consumer USA.

(1) These appointments are subject to the corresponding regulatory authorisations.

Corporate social responsibility

Grupo Santander continued to develop initiatives under its commitment to corporate social responsibility. The main ones during the third quarter were:

Presence in sustainable indices and investors

- Banco Santander continued to be part of the Dow Jones Sustainability Index, the main international one that measures companies' sustainable performance. The index assesses economic, environmental and social aspects.

- With a score of 84 out of 100, Banco Santander is recognised by Dow Jones as one of the best valued banks in the world and the first in Spain for its sustainable performance, its contribution to people's and companies' progress and its protection of the environment, according to the rating agency RobecoSAM.

Social investment

Santander Universities

- Sixty-three universities from all over the world who showed their commitment to alleviating poverty attended the international congress of rectors "Universities for Poverty Alleviation", organised by Banco Santander and the NGO Helsinki Spain-Human Dimension.

  Ana Botín, the executive chairman, closed the meeting and reaffirmed Banco Santander's commitment to society and to universities. She expressed a firm conviction that innovation, science and research are vital tools in the fight against poverty, one of the most important problems facing humanity.

- For the fourth year running Grupo Santander City hosted various training activities that the Complutense University in Madrid organised as part of the XXVIII edition of its summer courses. Banco Santander is the main sponsor. Of note were four courses related to global sustainable development, new ways of working in companies in the 21st century, the employability of university students, entrepreneurship and innovation.

- In Portugal, the *Santander Scholarship* programme of work experience in SMEs will deliver 1,500 scholarships over the next three years so that students can complement their studies with practical work. Santander Totta offers help to university students through placements in Portuguese SMEs and facilitates companies having such students.

Investment in the community

- In Brazil, the Bank's microcredit programme notched up a record BRL 3 billion since 2002. This programme provides financial support to more than 500 local governments by helping communities and customers structure their business and enabling them to grow.

- In Chile, the Bank launched *Sanodelucas Play,* an interactive financial education game that helps make people aware of the importance and benefits of keeping their personal finances in order. The *Sanodelucas* programme strengthens the financial education of individuals and SMEs, whether they are clients of the Bank or not.

- Bank Zachodni WBK held its *Semana sin Barreras* programme to make employees aware of the opportunities of providing a simple service and one without obstacles for customers with disabilities, through the multi channel service. The programme facilitates access to online channels, including voice systems in ATMs. A total of 193 branches have an accessibility certificate for the disabled.

As regards corporate social responsibility, the Group reaffirmed its commitment at its Investor Day in September to contribute to the economic and social progress of the communities in which it operates. Two goals were set for 2016-2018: the granting of 130,000 scholarships and helping 4.5 million people through support programmes.

The Santander share

Shareholder remuneration

- Shareholders received in August the first dividend in cash charged to 2015's earnings of €0.05 per share.
- At the same time, it was agreed to apply the *Santander Dividendo Elección* programme (scrip dividend) at the dates when the second dividend is traditionally paid. Each shareholder received a free allotment right of new shares for every Santander share held. Shareholders can sell these rights to the Bank at a set price (€0.05 per right), to the stock market between October 20 and November 3 at the market price, or receive new shares in the proportion of one new share for every 103 rights (in the last two cases with no withholding tax*).
- In order to tend to the latter case, a capital increase with bonus shares for a maximum of €69,498,217.50 and 138,996,435 shares will be made. The number of new shares to be issued and, thus, the amount of the capital increase will depend on the number of shareholders that opt to see their free allotment rights to the Bank at a set price.

Performance of the Santander share

- The third quarter was a volatile one for stock markets, because of the slowdown in the Chinese economy, which made China's central bank devalue the yuan, and the impact it could have on global economic growth, particularly in emerging countries, as well as the continued uncertainty over the Federal Reserve's interest rate policy.
- The Santander share price ended September at €4.744, a drop of 32% in the first nine months, heavily influenced in the third quarter by the Brazilian economic situation and the real's deprecation. The Ibex-35, Spain's benchmark index, fell 7%, the DJ Stoxx Banks 2% and the DJ Stoxx 50 1%. As we went to press, the Santander share price was €5.204, up 10% in October.

Capitalisation and trading

- At the end of September, Santander was the largest bank in the euro zone by market capitalization (€67,918 million) and the 15th in the world. The share's weighting in the DJ Stoxx 50 was 2.0%, 6.9% in the DJ Stoxx Banks and 14.5% in the Ibex-35.
- A total of 20,033 million Santander shares were traded in the first nine months with an effective value of €125,206 million, the highest among the EuroStoxx stocks, and a liquidity ratio of 142%. The number of shares traded daily was 104.9 million (€655.5 million).

Shareholder base

- The total number of shareholders at the end of September was 3,209,138, of which 2,971,310 were held by Europeans (82.34% of the capital stock) and 211,456 by those from the Americas (17.10%).
- Excluding the Bank's board, which holds 1.25% of the capital, retail shareholders have 42.59% and institutional ones 56.16%.

(*) The options, periods and procedures indicated could present particular circumstances for shareholders with Santander shares in the foreign stock markets where the Bank is listed. Also, the tax system of the various options could depend on shareholders' personal circumstances

The Santander share. September 2015

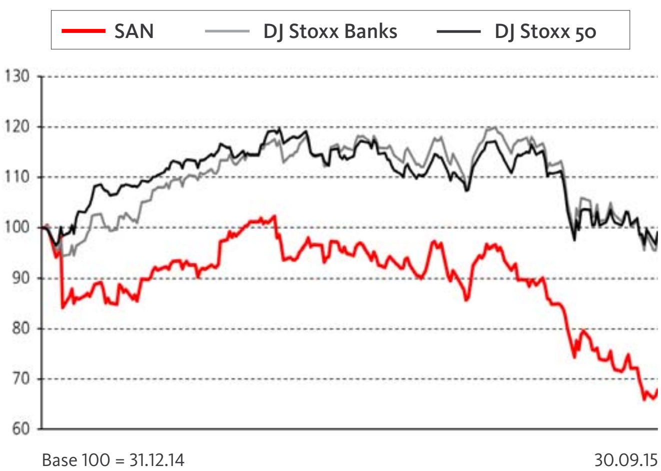
Shareholders and trading data	
Shareholders (number)	3,209,138
Shares (number)	14,316,632,805
Average daily turnover (no. of shares)	104,886,810
Share liquidity (%) (Number of shares traded during the year / number of shares)	142

Price movements during the year	
Highest	7.169
Lowest	4.551
Last (30.09.15)	4.744
Market capitalisation (millions) (30.09.15)	67,918

Stock market indicators	
Price / Book value (X)	0.77
P/E ratio (X)	10.19
Yield* (%)	6.33

(*).-Last three remuneration paid + one announced / 9M'15 average share price

Comparative performance of share prices



Financial information

APPENDIX

Income statement. Consolidated

€ million

	3Q'15	2Q'15	Variation %	Variation % w/o FX	9M'15	9M'14	Variation %	Variation % w/o FX
Net interest income	**7,983**	**8,281**	**(3.6)**	**1.4**	**24,302**	**21,834**	**11.3**	**8.5**
Net fees	2,474	2,586	(4.3)	0.5	7,584	7,172	5.8	4.9
Gains (losses) on financial transactions	634	372	70.4	76.3	1,702	2,229	(23.7)	(25.7)
Other operating income	225	379	(40.7)	(39.7)	790	337	134.4	124.1
Dividends	75	239	(68.7)	(68.1)	347	323	7.6	7.7
Income from equity-accounted method	93	101	(7.3)	1.4	293	180	63.4	71.7
Other operating income/expenses	57	39	44.7	27.6	149	(166)	—	—
Gross income	**11,316**	**11,618**	**(2.6)**	**2.3**	**34,378**	**31,572**	**8.9**	**6.5**
Operating expenses	(5,342)	(5,429)	(1.6)	2.6	(16,149)	(14,822)	8.9	6.7
General administrative expenses	(4,731)	(4,826)	(1.9)	2.3	(14,342)	(13,125)	9.3	6.9
Personnel	*(2,717)*	*(2,836)*	*(4.2)*	*(0.3)*	*(8,308)*	*(7,543)*	*10.2*	*7.6*
Other general administrative expenses	*(2,015)*	*(1,989)*	*1.3*	*6.0*	*(6,034)*	*(5,583)*	*8.1*	*6.0*
Depreciation and amortisation	(611)	(603)	1.2	4.6	(1,806)	(1,697)	6.4	4.9
Net operating income	**5,974**	**6,189**	**(3.5)**	**2.0**	**18,229**	**16,750**	**8.8**	**6.4**
Net loan-loss provisions	(2,479)	(2,508)	(1.2)	4.8	(7,550)	(8,110)	(6.9)	(8.4)
Impairment losses on other assets	(110)	(78)	41.5	43.8	(247)	(225)	10.1	9.7
Other income	(606)	(605)	0.2	5.5	(1,666)	(1,275)	30.6	34.5
Ordinary profit before taxes	**2,778**	**2,998**	**(7.3)**	**(2.2)**	**8,766**	**7,140**	**22.8**	**18.0**
Tax on profit	(787)	(939)	(16.2)	(11.8)	(2,649)	(1,882)	40.8	36.0
Ordinary profit from continuing operations	**1,991**	**2,059**	**(3.3)**	**2.1**	**6,117**	**5,258**	**16.3**	**11.7**
Net profit from discontinued operations	(0)	0	—	—	—	(7)	(100.0)	(100.0)
Ordinary consolidated profit	**1,991**	**2,059**	**(3.3)**	**2.1**	**6,117**	**5,252**	**16.5**	**11.8**
Minority interests	311	350	(11.1)	(6.1)	1,011	891	13.5	11.9
Ordinary attributable profit to the Group	**1,680**	**1,709**	**(1.7)**	**3.8**	**5,106**	**4,361**	**17.1**	**11.8**
Net capital gains and provisions (1)	—	835	(100.0)	(94.4)	835	—	—	—
Attributable profit to the Group	1,680	2,544	(34.0)	(27.6)	5,941	4,361	36.2	30.0

(1) Including :

- In the first nine months of 2014 capital gains were recorded by the Altamira operation, for the listing of SCUSA and by the change in the UK pension commitments (EUR 1,335 million overall). At the same time a fund was established for restructuring costs and a charge was made for impairment losses on intangible assets and other provisions of a similar amount. The net impact of these amounts on the first half profit was zero.
- Additionally, in the second quarter the Group recorded attributable profit of EUR 835 million due to the net result of the reversal of tax liabilities in Brazil.

Information on total profit*

	3Q'15	2Q'15	%	9M'15	9M'14	%	2014
Attributable profit to the Group (1)	1,680	2,544	(34.0)	5,941	4,361	36.2	5,816
EPS (euro)	0.112	0.175	(35.8)	0.408	0.367	11.3	0.479
RoE (2)	7.4	8.4		8.4	7.2		7.0
RoTE (2)	11.3	12.8		12.8	11.3		11.0
RoA	0.6	0.7		0.7	0.6		0.6
RoRWA	1.3	1.5		1.5	1.3		1.3
P/E ratio (X)	8.7	10.6		8.7	15.6		14.6

(*).- In 2Q'15 and 9M'15 including attributable profit of €835 million due to the net result of the reversal of tax liabilities in Brazil
(1).- Variations w/o exchange rate: quarterly: -27.6%; year-on-year: +30.0%
(2).- In 2014, pro-forma taking into account the January 2015 capital increase.

Net fees. Consolidated

€ million

	3Q'15	2Q'15	Var, %	9M'15	9M'14	Var, %
Fees from services	1,524	1,546	(1.5)	4,580	4,303	6.4
Mutual & pension funds	219	199	10.0	658	667	(1.3)
Securities and custody	195	278	(29.9)	688	577	19.1
Insurance	536	563	(4.7)	1,659	1,625	2.1
Net fee income	**2,474**	**2,586**	**(4.3)**	**7,584**	**7,172**	**5.8**

Operating expenses. Consolidated

€ million

	3Q'15	2Q'15	Var, %	9M'15	9M'14	Var, %
Personnel expenses	2,717	2,836	(4.2)	8,308	7,543	10.2
General expenses	2,015	1,989	1.3	6,034	5,583	8.1
Information technology	262	274	(4.2)	823	680	21.1
Communications	130	117	11.2	380	381	(0.3)
Advertising	170	174	(2.3)	500	454	10.0
Buildings and premises	434	461	(5.9)	1,369	1,341	2.1
Printed and office material	40	43	(7.1)	120	113	6.6
Taxes (other than profit tax)	130	129	0.5	393	341	15.3
Other expenses	850	793	7.3	2,449	2,272	7.8
Personnel and general expenses	**4,731**	**4,826**	**(1.9)**	**14,342**	**13,125**	**9.3**
Depreciation and amortisation	611	603	1.2	1,806	1,697	6.4
Total operating expenses	**5,342**	**5,429**	**(1.6)**	**16,149**	**14,822**	**8.9**

Operating means. Consolidated

	Employees			Branches		
	30.09.15	**30.09.14**	**Var,**	**30.09.15**	**30.09.14**	**Var,**
Continental Europe	**56,704**	**56,177**	**527**	**5,424**	**5,616**	**(192)**
o/w: Spain	24,231	25,135	(904)	3,487	3,611	(124)
Santander Consumer Finance	14,138	12,345	1,793	592	572	20
Poland	11,626	11,933	(307)	752	803	(51)
Portugal	5,423	5,552	(129)	575	620	(45)
United Kingdom	**26,154**	**25,384**	**770**	**882**	**942**	**(60)**
Latin America	**88,893**	**83,378**	**5,515**	**5,812**	**5,689**	**123**
o/w: Brazil	48,955	46,687	2,268	3,436	3,427	9
Mexico	17,704	15,912	1,792	1,354	1,299	55
Chile	12,334	12,135	199	476	476	—
USA	**17,592**	**16,562**	**1,030**	**783**	**812**	**(29)**
Operating areas	**189,343**	**181,501**	**7,842**	**12,901**	**13,059**	**(158)**
Corporate Activities	2,161	2,033	128			
Total Group	**191,504**	**183,534**	**7,970**	**12,901**	**13,059**	**(158)**

Net loan-loss provisions. Consolidated

€ million

	3Q'15	2Q'15	Var, %	9M'15	9M'14	Var, %
Non performing loans	2,847	2,928	(2.7)	8,680	9,069	(4.3)
Country-risk	3	17	(81.1)	21	(4)	—
Recovery of written-off assets	(371)	(436)	(15.0)	(1,151)	(956)	20.4
Total	**2,479**	**2,508**	**(1.2)**	**7,550**	**8,110**	**(6.9)**

Customer loans. Consolidated

€ million

	30.09.15	30.09.14	Variation amount	%	31.12.14
Spanish Public sector	15,207	16,204	(996)	(6.1)	17,465
Other residents	152,196	158,190	(5,994)	(3.8)	154,905
Commercial bills	8,228	6,459	1,769	27.4	7,293
Secured loans	93,404	97,753	(4,349)	(4.4)	96,426
Other loans	50,564	53,978	(3,414)	(6.3)	51,187
Non-resident sector	635,840	575,032	60,808	10.6	589,557
Secured loans	398,110	351,910	46,200	13.1	369,266
Other loans	237,730	223,122	14,608	6.5	220,291
Gross customer loans	**803,243**	**749,426**	**53,817**	**7.2**	**761,928**
Loan-loss allowances	26,224	27,438	(1,214)	(4.4)	27,217
Net customer loans	**777,020**	**721,988**	**55,031**	**7.6**	**734,711**
Pro memoria: Doubtful loans	36,864	40,440	(3,576)	(8.8)	40,424
Public sector	190	167	23	13.9	167
Other residents	17,130	20,360	(3,229)	(15.9)	19,951
Non-resident sector	19,544	19,914	(369)	(1.9)	20,306

Managed and marketed customer funds. Consolidated

€ million

	30.09.15	30.09.14	Variation amount	%	31.12.14
Resident public sector	8,886	9,689	(803)	(8.3)	9,349
Other residents	164,067	162,313	1,754	1.1	163,340
Demand deposits	105,730	82,530	23,200	28.1	88,312
Time deposits	56,134	75,837	(19,703)	(26.0)	67,495
Other	2,203	3,945	(1,743)	(44.2)	7,532
Non-resident sector	496,283	474,329	21,954	4.6	474,939
Demand deposits	302,251	259,141	43,110	16.6	273,889
Time deposits	139,295	156,448	(17,153)	(11.0)	151,113
Other	54,736	58,739	(4,003)	(6.8)	49,937
Customer deposits	**669,236**	**646,331**	**22,906**	**3.5**	**647,628**
Debt securities	197,257	195,595	1,662	0.8	196,890
Subordinated debt	19,606	17,334	2,272	13.1	17,132
On-balance-sheet customer funds	**886,099**	**859,259**	**26,840**	**3.1**	**861,649**
Mutual funds	122,365	124,911	(2,545)	(2.0)	124,708
Pension funds	11,220	11,341	(120)	(1.1)	11,481
Managed portfolios	25,828	24,923	906	3.6	25,599
Other managed and marketed customer funds	**159,414**	**161,174**	**(1,760)**	**(1.1)**	**161,788**
Managed and marketed customer funds	**1,045,513**	**1,020,433**	**25,080**	**2.5**	**1,023,437**

Eligible capital (fully loaded)*

€ million

	30.09.15	31.12.14	Variation amount	%
Capital stock and reserves	98,328	93,748	4,580	4.9
Attributable profit	5,941	5,816	125	2.2
Dividends	(1,725)	(1,014)	(711)	70.1
Other retained earnings	(16,305)	(11,468)	(4,837)	42.2
Minority interests	5,375	4,131	1,244	30.1
Goodwill and intangible assets	(28,515)	(29,164)	649	(2.2)
Treasury stock and other deductios	(5,522)	(5,767)	245	(4.3)
Core CET1	**57,577**	**56,282**	**1,295**	**2.3**
Preferred shares and other eligibles T1	5,619	4,728	891	18.9
Tier 1	**63,196**	**61,010**	**2,186**	**3.6**
Generic funds and eligible T2 instruments	11,322	7,561	3,761	49.7
Eligible capital	**74,519**	**68,571**	**5,948**	**8.7**
Risk-weighted assets	584,322	583,366	956	0.2
CET1 capital ratio	**9.85**	**9.65**	**0.20**	
T1 capital ratio	**10.82**	**10.46**	**0.36**	
BIS ratio	**12.75**	**11.75**	**1.00**	

(*).- In 2014, pro-forma data taking into account the January 2015 capital increase

Continental Europe

€ million

Income statement	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
Net interest income	**1,987**	**(1.0)**	**(0.1)**	**6,050**	**9.0**	**9.0**
Net fees	855	(2.5)	(2.1)	2,576	(2.3)	(2.7)
Gains (losses) on financial transactions	321	255.8	258.4	815	(8.7)	(8.9)
Other operating income*	90	(63.0)	(63.0)	439	150.3	149.0
Gross income	**3,253**	**1.1**	**1.8**	**9,880**	**6.8**	**6.6**
Operating expenses	(1,689)	0.6	1.2	(5,037)	4.3	4.0
General administrative expenses	(1,565)	0.5	1.1	(4,683)	4.6	4.4
Personnel	*(790)*	*(3.8)*	*(3.2)*	*(2,410)*	*3.2*	*2.8*
Other general administrative expenses	*(775)*	*5.3*	*5.8*	*(2,273)*	*6.2*	*6.0*
Depreciation and amortisation	(124)	1.9	2.4	(354)	0.0	(0.1)
Net operating income	**1,564**	**1.6**	**2.4**	**4,843**	**9.5**	**9.3**
Net loan-loss provisions	(495)	(3.3)	(2.7)	(1,643)	(28.5)	(28.4)
Other income	(137)	(26.0)	(25.9)	(462)	(22.9)	(22.9)
Profit before taxes	**932**	**10.7**	**11.8**	**2,737**	**79.2**	**78.4**
Tax on profit	(242)	11.8	12.8	(710)	96.1	95.9
Profit from continuing operations	**690**	**10.3**	**11.4**	**2,027**	**74.0**	**73.0**
Net profit from discontinued operations	(0)	—	—	—	(100.0)	(100.0)
Consolidated profit	**690**	**10.3**	**11.4**	**2,027**	**75.0**	**74.0**
Minority interests	65	(1.1)	0.4	202	75.3	74.5
Attributable profit to the Group	**625**	**11.6**	**12.7**	**1,825**	**74.9**	**73.9**

Balance sheet	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
Customer loans**	278,723	(0.7)	(0.3)	278,723	4.9	5.3
Trading portfolio (w/o loans)	60,318	(3.2)	(3.1)	60,318	(5.1)	(5.1)
Available-for-sale financial assets	59,142	(3.2)	(3.0)	59,142	14.0	14.1
Due from credit institutions**	87,379	34.8	35.0	87,379	35.8	35.3
Intangible assets and property and equipment	11,172	0.1	0.2	11,172	33.1	32.0
Other assets	32,859	17.6	17.8	32,859	36.0	36.2
Total assets/liabilities & shareholders' equity	**529,594**	**4.3**	**4.6**	**529,594**	**10.8**	**10.9**
Customer deposits**	263,013	(0.4)	(0.2)	263,013	1.0	1.2
Marketable debt securities**	47,267	(1.0)	(0.4)	47,267	(6.4)	(5.5)
Subordinated debt**	175	2.3	3.1	175	(56.6)	(56.0)
Insurance liabilities	643	(0.5)	(0.5)	643	(61.5)	(61.5)
Due to credit institutions**	125,066	23.2	23.6	125,066	62.2	62.0
Other liabilities	61,140	(2.6)	(2.5)	61,140	2.9	3.0
Stockholders' equity ***	32,290	4.2	4.6	32,290	12.2	12.2
Other managed and marketed customer funds	**68,030**	**(4.8)**	**(4.7)**	**68,030**	**3.8**	**3.6**
Mutual and pension funds	59,469	(4.7)	(4.7)	59,469	4.3	4.4
Managed portfolios	8,558	(5.0)	(5.0)	8,558	0.5	(1.5)
Managed and marketed customer funds	**378,484**	**(1.3)**	**(1.0)**	**378,484**	**0.5**	**0.7**

Ratios (%) and operating means	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
ROE	7.91	0.60		7.93	2.97	
Efficiency ratio (with amortisations)	51.9	(0.3)		51.0	(1.2)	
NPL ratio	7.89	(0.26)		7.89	(1.03)	
NPL coverage	60.4	1.5		60.4	2.3	
Number of employees	56,704	(0.7)		56,704	0.9	
Number of branches	5,424	(0.4)		5,424	(3.4)	

(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

Activity performance

y-o-y % (Sep'15 / Sep'14 w/o FX)

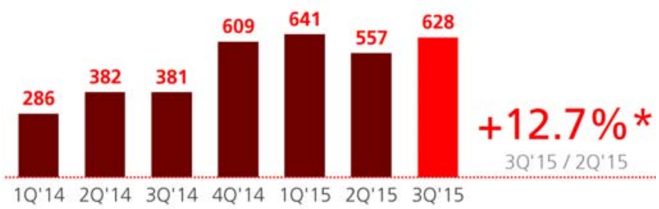
(*) Customer deposits + mutual funds

Activity performance

q-o-q % (Sep'15 / Jun'15 w/o FX)

Attributable profit

Constant € million



(*) In euros: +11.6%

Spain
€ million

Income statement	3Q'15	% o/ 2Q'15	9M'15	% o/ 9M'14
Net interest income	**837**	**(2.3)**	**2,650**	**(1.8)**
Net fees	415	(5.8)	1,269	(5.9)
Gains (losses) on financial transactions	242	593.9	579	(27.3)
Other operating income*	77	(59.8)	343	237.6
Gross income	**1,570**	**3.2**	**4,842**	**(2.1)**
Operating expenses	(863)	0.8	(2,574)	(2.3)
General administrative expenses	(806)	0.4	(2,419)	(3.2)
Personnel	*(415)*	*(1.4)*	*(1,255)*	*(6.0)*
Other general administrative expenses	*(391)*	*2.3*	*(1,165)*	*0.1*
Depreciation and amortisation	(57)	7.8	(154)	14.7
Net operating income	**708**	**6.2**	**2,268**	**(1.9)**
Net loan-loss provisions	(205)	(22.2)	(835)	(41.4)
Other income	(58)	(18.2)	(174)	41.9
Profit before taxes	**444**	**34.1**	**1,259**	**64.5**
Tax on profit	(127)	36.9	(359)	59.4
Profit from continuing operations	**317**	**33.0**	**900**	**66.6**
Net profit from discontinued operations	—	—	—	—
Consolidated profit	**317**	**33.0**	**900**	**66.6**
Minority interests	6	(2.9)	16	599.9
Attributable profit to the Group	**311**	**33.9**	**883**	**64.2**
Balance sheet				
Customer loans**	156,121	(1.4)	156,121	(0.2)
Trading portfolio (w/o loans)	57,331	(2.8)	57,331	(4.9)
Available-for-sale financial assets	44,340	(4.9)	44,340	20.9
Due from credit institutions**	65,526	44.7	65,526	43.3
Intangible assets and property and equipment	2,886	(0.6)	2,886	(18.5)
Other assets	12,808	53.4	12,808	77.6
Total assets/liabilities & shareholders' equity	**339,011**	**5.8**	**339,011**	**9.4**
Customer deposits**	181,636	(1.4)	181,636	(0.3)
Marketable debt securities**	23,916	(10.6)	23,916	(24.5)
Subordinated debt**	2	74.9	2	120.2
Insurance liabilities	533	(3.3)	533	5.7
Due to credit institutions**	70,171	55.9	70,171	114.9
Other liabilities	50,117	(3.8)	50,117	(3.2)
Stockholders' equity ***	12,637	6.8	12,637	15.1
Other managed and marketed customer funds	**59,544**	**(4.3)**	**59,544**	**4.0**
Mutual and pension funds	53,454	(4.6)	53,454	4.7
Managed portfolios	6,090	(1.2)	6,090	(2.4)
Managed and marketed customer funds	**265,097**	**(3.0)**	**265,097**	**(2.3)**
Ratios (%) and operating means				
ROE	10.09	1.95	10.06	3.58
Efficiency ratio (with amortisations)	54.9	(1.3)	53.2	(0.1)
NPL ratio	6.61	(0.30)	6.61	(0.96)
NPL coverage	47.8	1.0	47.8	2.3
Number of employees	24,231	(0.4)	24,231	(3.6)
Number of branches	3,487	(0.1)	3,487	(3.4)

(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

Activity performance
% Sep'15 / Sep'14

(*) Customer deposits + mutual funds

Activity performance
% Sep'15 / Jun'15

Attributable profit
€ million

Santander Consumer Finance

€ million

Income statement	3Q'15	% o/ 2Q'15	9M'15	% o/ 9M'14
Net interest income	**788**	**1.8**	**2,292**	**32.0**
Net fees	223	3.2	659	2.7
Gains (losses) on financial transactions	3	—	(5)	591.1
Other operating income*	4	(55.8)	23	499.2
Gross income	**1,018**	**2.7**	**2,968**	**24.7**
Operating expenses	(443)	0.1	(1,306)	20.0
General administrative expenses	(398)	(0.0)	(1,180)	22.8
Personnel	*(174)*	*(13.1)*	*(554)*	*27.5*
Other general administrative expenses	*(224)*	*13.2*	*(626)*	*19.0*
Depreciation and amortisation	(45)	1.3	(127)	(1.5)
Net operating income	**575**	**4.8**	**1,662**	**28.7**
Net loan-loss provisions	(142)	8.2	(440)	9.7
Other income	(44)	23.5	(102)	0.4
Profit before taxes	**389**	**1.8**	**1,119**	**41.9**
Tax on profit	(108)	(2.3)	(314)	54.2
Profit from continuing operations	**281**	**3.5**	**805**	**37.7**
Net profit from discontinued operations	(0)	—	—	(100.0)
Consolidated profit	**281**	**3.5**	**805**	**39.3**
Minority interests	40	28.7	102	274.0
Attributable profit to the Group	**242**	**0.3**	**702**	**27.6**

Balance sheet				
Customer loans**	70,067	0.7	70,067	19.6
Trading portfolio (w/o loans)	90	51.4	90	120.1
Available-for-sale financial assets	2,876	56.2	2,876	376.8
Due from credit institutions**	3,410	(44.4)	3,410	(38.5)
Intangible assets and property and equipment	749	(2.4)	749	(4.4)
Other assets	4,581	14.5	4,581	36.6
Total assets/liabilities & shareholders' equity	**81,774**	**(0.7)**	**81,774**	**18.6**
Customer deposits**	31,789	(0.1)	31,789	4.0
Marketable debt securities**	20,384	13.0	20,384	37.7
Subordinated debt**	73	4.8	73	12.7
Insurance liabilities	—	—	—	—
Due to credit institutions**	16,264	(20.9)	16,264	22.9
Other liabilities	4,934	21.8	4,934	71.7
Stockholders' equity ***	8,329	6.7	8,329	13.0
Other managed and marketed customer funds	**7**	**0.4**	**7**	**3.0**
Mutual and pension funds	7	0.4	7	3.0
Managed portfolios	—	—	—	—
Managed and marketed customer funds	**52,253**	**4.7**	**52,253**	**15.0**

Ratios (%) and operating means				
ROE	12.10	(0.35)	12.12	1.84
Efficiency ratio (with amortisations)	43.5	(1.1)	44.0	(1.7)
NPL ratio	4.15	(0.10)	4.15	0.18
NPL coverage	107.2	2.3	107.2	0.8
Number of employees	14,138	(0.5)	14,138	14.5
Number of branches	592	—	592	3.5

(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

Activity performance

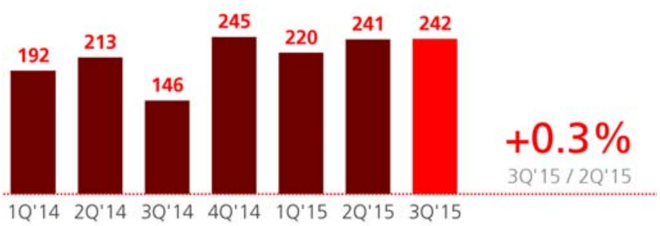
% Sep'15 / Sep'14

Activity performance

% Sep'15 / Jun'15

Attributable profit

€ million



Poland

€ million

Income statement	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
Net interest income	**196**	**2.3**	**4.9**	**579**	**(9.4)**	**(9.8)**
Net fees	103	(5.6)	(3.3)	313	(4.5)	(4.9)
Gains (losses) on financial transactions	18	(4.4)	1.3	90	187.0	185.7
Other operating income*	(9)	—	—	2	(90.6)	(90.7)
Gross income	**309**	**(8.1)**	**(5.7)**	**985**	**(3.7)**	**(4.2)**
Operating expenses	(146)	(4.4)	(2.0)	(451)	2.2	1.7
General administrative expenses	(136)	(4.4)	(1.9)	(417)	2.8	2.3
Personnel	*(79)*	*(3.4)*	*(1.0)*	*(243)*	*5.0*	*4.5*
Other general administrative expenses	*(57)*	*(5.6)*	*(3.2)*	*(174)*	*(0.2)*	*(0.7)*
Depreciation and amortisation	(11)	(5.1)	(2.6)	(34)	(4.7)	(5.1)
Net operating income	**162**	**(11.2)**	**(8.8)**	**534**	**(8.2)**	**(8.6)**
Net loan-loss provisions	(39)	(13.9)	(11.9)	(124)	(3.9)	(4.4)
Other income	3	—	—	(0)	(96.8)	(96.8)
Profit before taxes	**125**	**(6.7)**	**(4.1)**	**410**	**(7.3)**	**(7.7)**
Tax on profit	(26)	14.9	18.1	(77)	(11.5)	(11.9)
Profit from continuing operations	**99**	**(11.2)**	**(8.7)**	**333**	**(6.2)**	**(6.7)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**99**	**(11.2)**	**(8.7)**	**333**	**(6.2)**	**(6.7)**
Minority interests	26	(12.5)	(10.0)	90	(4.1)	(4.6)
Attributable profit to the Group	**73**	**(10.7)**	**(8.2)**	**243**	**(7.0)**	**(7.4)**

Balance sheet	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
Customer loans**	18,466	0.7	2.0	18,466	7.3	9.0
Trading portfolio (w/o loans)	1,032	(8.9)	(7.7)	1,032	29.8	31.9
Available-for-sale financial assets	5,500	(2.6)	(1.4)	5,500	(7.1)	(5.6)
Due from credit institutions**	1,166	(6.4)	(5.2)	1,166	22.5	24.4
Intangible assets and property and equipment	229	(2.3)	(1.1)	229	2.1	3.7
Other assets	1,773	6.9	8.2	1,773	(21.4)	(20.2)
Total assets/liabilities & shareholders' equity	**28,166**	**(0.3)**	**1.0**	**28,166**	**2.9**	**4.6**
Customer deposits**	20,404	1.1	2.4	20,404	0.9	2.5
Marketable debt securities**	401	14.5	16.0	401	70.2	72.9
Subordinated debt**	100	(0.2)	1.1	100	(70.4)	(69.9)
Insurance liabilities	—	—	—	—	(100.0)	(100.0)
Due to credit institutions**	1,396	(15.8)	(14.8)	1,396	30.0	32.1
Other liabilities	3,476	(3.2)	(1.9)	3,476	12.1	13.9
Stockholders' equity ***	2,388	0.9	2.2	2,388	3.2	4.9
Other managed and marketed customer funds	**3,607**	**(8.2)**	**(7.0)**	**3,607**	**(4.6)**	**(3.1)**
Mutual and pension funds	3,500	(7.1)	(5.9)	3,500	(5.2)	(3.7)
Managed portfolios	107	(34.2)	(33.3)	107	18.6	20.5
Managed and marketed customer funds	**24,512**	**(0.2)**	**1.1**	**24,512**	**(0.3)**	**1.3**

Ratios (%) and operating means	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
ROE	12.19	(1.36)		13.62	(2.32)	
Efficiency ratio (with amortisations)	47.5	1.8		45.8	2.6	
NPL ratio	7.14	0.07		7.14	(0.29)	
NPL coverage	63.1	(0.4)		63.1	(2.7)	
Number of employees	11,626	(1.5)		11,626	(2.6)	
Number of branches	752	(2.3)		752	(6.4)	

(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

Activity performance

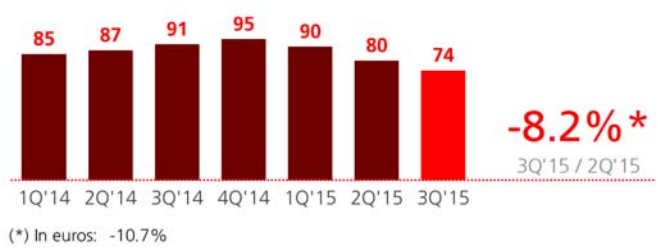
y-o-y % (Sep'15 / Sep'14 w/o FX)

Activity performance

q-o-q % (Sep'15 / Jun'15 w/o FX)

Attributable profit

Constant € million



Portugal
€ million

Income statement	3Q'15	% o/ 2Q'15	9M'15	% o/ 9M'14
Net interest income	**134**	**(5.0)**	**417**	**3.5**
Net fees	66	(1.5)	202	(3.4)
Gains (losses) on financial transactions	16	56.1	41	(22.7)
Other operating income*	10	(37.4)	38	24.0
Gross income	**226**	**(3.4)**	**698**	**0.3**
Operating expenses	(124)	1.4	(369)	(0.2)
General administrative expenses	(115)	1.4	(342)	3.2
Personnel	*(72)*	*(0.4)*	*(216)*	*1.0*
Other general administrative expenses	*(43)*	*4.4*	*(127)*	*7.1*
Depreciation and amortisation	(9)	2.4	(27)	(29.8)
Net operating income	**102**	**(8.8)**	**328**	**0.9**
Net loan-loss provisions	(24)	13.8	(67)	(37.3)
Other income	23	—	(21)	(73.0)
Profit before taxes	**101**	**50.4**	**240**	**71.3**
Tax on profit	(24)	33.5	(59)	85.9
Profit from continuing operations	**77**	**56.6**	**181**	**67.0**
Net profit from discontinued operations	—	—	—	—
Consolidated profit	**77**	**56.6**	**181**	**67.0**
Minority interests	0	—	0	—
Attributable profit to the Group	**77**	**55.1**	**181**	**60.5**

Balance sheet	3Q'15	% o/ 2Q'15	9M'15	% o/ 9M'14
Customer loans**	23,029	(0.3)	23,029	(1.3)
Trading portfolio (w/o loans)	1,801	(13.2)	1,801	(9.8)
Available-for-sale financial assets	5,736	0.4	5,736	(28.8)
Due from credit institutions**	2,097	8.4	2,097	(15.0)
Intangible assets and property and equipment	696	0.5	696	(7.0)
Other assets	5,999	1.6	5,999	(10.6)
Total assets/liabilities & shareholders' equity	**39,358**	**(0.1)**	**39,358**	**(9.1)**
Customer deposits**	24,091	1.2	24,091	(0.2)
Marketable debt securities**	2,566	(1.6)	2,566	(32.4)
Subordinated debt**	0	—	0	(34.2)
Insurance liabilities	22	(9.9)	22	(72.5)
Due to credit institutions**	9,384	(4.2)	9,384	(22.3)
Other liabilities	920	(5.3)	920	19.6
Stockholders' equity ***	2,376	7.0	2,376	(3.7)
Other managed and marketed customer funds	**2,801**	**(2.6)**	**2,801**	**19.3**
Mutual and pension funds	2,395	(2.9)	2,395	14.3
Managed portfolios	406	(1.2)	406	61.0
Managed and marketed customer funds	**29,458**	**0.6**	**29,458**	**(2.7)**

Ratios (%) and operating means	3Q'15	% o/ 2Q'15	9M'15	% o/ 9M'14
ROE	13.16	4.98	10.02	3.48
Efficiency ratio (with amortisations)	54.9	2.6	52.9	(0.3)
NPL ratio	8.86	0.06	8.86	0.37
NPL coverage	56.2	2.0	56.2	2.3
Number of employees	5,423	(0.2)	5,423	(2.3)
Number of branches	575	(0.2)	575	(7.3)

(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

Activity performance
% Sep'15 / Sep'14

(*) Customer deposits + mutual funds

Activity performance
% Sep'15 / Jun'15

Attributable profit
€ million

United Kingdom
€ million

Income statement	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
Net interest income	**1,250**	**0.2**	**(0.4)**	**3,691**	**18.6**	**6.2**
Net fees	273	(6.2)	(6.9)	851	12.9	1.0
Gains (losses) on financial transactions	58	(30.0)	(31.0)	202	(1.9)	(12.1)
Other operating income*	23	503.1	520.5	37	31.7	17.9
Gross income	**1,605**	**(1.3)**	**(2.0)**	**4,781**	**16.6**	**4.4**
Operating expenses	(844)	0.1	(0.6)	(2,511)	16.9	4.7
General administrative expenses	(760)	0.2	(0.5)	(2,267)	18.4	6.0
Personnel	*(391)*	*(6.6)*	*(7.3)*	*(1,205)*	*4.9*	*(6.1)*
Other general administrative expenses	*(369)*	*8.4*	*7.9*	*(1,062)*	*38.8*	*24.3*
Depreciation and amortisation	(84)	(0.8)	(1.5)	(243)	4.5	(6.4)
Net operating income	**761**	**(2.8)**	**(3.5)**	**2,271**	**16.2**	**4.1**
Net loan-loss provisions	7	—	—	(86)	(70.8)	(73.9)
Other income	(130)	156.1	157.0	(236)	29.5	15.9
Profit before taxes	**639**	**(10.5)**	**(11.3)**	**1,948**	**32.0**	**18.2**
Tax on profit	(149)	(6.3)	(7.2)	(426)	39.1	24.6
Profit from continuing operations	**489**	**(11.8)**	**(12.5)**	**1,523**	**30.2**	**16.6**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**489**	**(11.8)**	**(12.5)**	**1,523**	**30.2**	**16.6**
Minority interests	10	3.4	2.6	27	—	—
Attributable profit to the Group	**480**	**(12.0)**	**(12.8)**	**1,496**	**27.9**	**14.5**

Balance sheet	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
Customer loans**	284,003	(1.4)	2.4	284,003	14.1	8.4
Trading portfolio (w/o loans)	40,406	(2.3)	1.4	40,406	14.6	8.9
Available-for-sale financial assets	12,940	1.2	5.1	12,940	20.5	14.5
Due from credit institutions**	14,995	(15.1)	(11.8)	14,995	(10.6)	(15.0)
Intangible assets and property and equipment	3,043	(4.2)	(0.5)	3,043	21.6	15.5
Other assets	27,936	4.3	8.3	27,936	(30.6)	(34.1)
Total assets/liabilities & shareholders' equity	**383,323**	**(1.6)**	**2.1**	**383,323**	**8.1**	**2.7**
Customer deposits**	227,212	(1.3)	2.4	227,212	11.5	6.0
Marketable debt securities**	72,051	(0.8)	3.0	72,051	2.3	(2.8)
Subordinated debt**	4,098	(22.3)	(19.3)	4,098	(33.0)	(36.4)
Insurance liabilities	—	—	—	—	—	—
Due to credit institutions**	24,871	(5.5)	(1.9)	24,871	(2.7)	(7.6)
Other liabilities	38,500	(2.2)	1.5	38,500	14.4	8.7
Stockholders' equity ***	16,591	5.1	9.1	16,591	10.5	5.0
Other managed and marketed customer funds	**9,376**	**(13.2)**	**(9.9)**	**9,376**	**(6.2)**	**(10.9)**
Mutual and pension funds	9,238	(13.2)	(9.9)	9,238	(6.2)	(10.9)
Managed portfolios	138	(14.9)	(11.7)	138	(4.9)	(9.6)
Managed and marketed customer funds	**312,737**	**(1.9)**	**1.8**	**312,737**	**7.8**	**2.4**

Ratios (%) and operating means	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
ROE	11.76	(2.05)		12.60	1.19	
Efficiency ratio (with amortisations)	52.6	0.7		52.5	0.1	
NPL ratio	1.51	(0.10)		1.51	(0.29)	
NPL coverage	39.6	(0.7)		39.6	(3.8)	
Number of employees	26,154	(0.8)		26,154	3.0	
Number of branches	882	(2.1)		882	(6.4)	

(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

Activity performance
y-o-y % (Sep'15 / Sep'14 w/o FX)

(*) Customer deposits + mutual funds

Activity performance
q-o-q % (Sep'15 / Jun'15 w/o FX)

Attributable profit
Constant € million

(*) In euros: -12.0%

Latin America

€ million

Income statement	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
Net interest income	**3,334**	**(7.6)**	**3.4**	**10,489**	**3.5**	**9.7**
Net fees	1,079	(6.3)	4.4	3,366	5.7	11.7
Gains (losses) on financial transactions	126	(22.8)	(13.3)	457	(0.3)	(1.5)
Other operating income*	23	(14.1)	1.8	48	(18.9)	(6.3)
Gross income	**4,562**	**(7.9)**	**3.1**	**14,360**	**3.8**	**9.7**
Operating expenses	(1,895)	(6.5)	4.3	(5,969)	3.1	8.6
General administrative expenses	(1,738)	(5.8)	4.9	(5,448)	3.8	9.3
Personnel	*(956)*	*(6.2)*	*4.5*	*(2,978)*	*6.3*	*11.8*
Other general administrative expenses	*(782)*	*(5.3)*	*5.5*	*(2,471)*	*1.0*	*6.4*
Depreciation and amortisation	(157)	(13.8)	(2.7)	(521)	(4.0)	2.6
Net operating income	**2,667**	**(8.8)**	**2.3**	**8,392**	**4.3**	**10.4**
Net loan-loss provisions	(1,241)	1.2	13.0	(3,677)	(4.8)	2.2
Other income	(264)	(3.3)	9.3	(740)	29.7	45.3
Ordinary profit before taxes	**1,163**	**(18.4)**	**(8.3)**	**3,975**	**9.9**	**13.9**
Tax on profit	(223)	(40.4)	(30.1)	(998)	12.8	18.1
Ordinary profit from continuing operations	**940**	**(10.6)**	**(0.5)**	**2,977**	**9.0**	**12.5**
Net profit from discontinued operations	—	—	—	—	—	—
Ordinary consolidated profit	**940**	**(10.6)**	**(0.5)**	**2,977**	**9.0**	**12.5**
Minority interests	156	(10.9)	(1.5)	477	(22.8)	(20.0)
Ordinary attributable profit to the Group	**783**	**(10.6)**	**(0.4)**	**2,500**	**18.3**	**22.0**

Balance sheet	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
Customer loans**	129,593	(10.7)	5.3	129,593	(4.8)	18.4
Trading portfolio (w/o loans)	37,178	7.5	25.8	37,178	10.4	39.7
Available-for-sale financial assets	23,722	(31.6)	(15.7)	23,722	4.6	36.5
Due from credit institutions**	25,987	0.9	19.3	25,987	(11.5)	10.5
Intangible assets and property and equipment	3,416	(15.8)	1.6	3,416	(11.0)	16.5
Other assets	44,473	10.3	34.5	44,473	5.9	40.4
Total assets/liabilities & shareholders' equity	**264,369**	**(7.1)**	**10.6**	**264,369**	**(1.2)**	**24.9**
Customer deposits**	118,044	(11.5)	4.2	118,044	(10.0)	12.3
Marketable debt securities**	31,939	(13.5)	5.3	31,939	(3.0)	27.1
Subordinated debt**	6,088	(8.6)	11.2	6,088	(7.1)	20.9
Insurance liabilities	1	(26.0)	(4.4)	1	—	—
Due to credit institutions**	41,682	1.9	22.6	41,682	35.9	72.2
Other liabilities	45,884	5.7	25.5	45,884	(1.1)	26.5
Stockholders' equity ***	20,731	(10.6)	6.7	20,731	3.8	30.6
Other managed and marketed customer funds	**62,030**	**(13.3)**	**5.8**	**62,030**	**(12.5)**	**16.0**
Mutual and pension funds	57,561	(13.2)	6.1	57,561	(12.7)	15.9
Managed portfolios	4,470	(15.2)	2.6	4,470	(9.4)	16.7
Managed and marketed customer funds	**218,103**	**(12.3)**	**5.0**	**218,103**	**(9.7)**	**15.6**

Ratios (%) and operating means	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
ROE	14.12	(1.41)		14.85	0.47	
Efficiency ratio (with amortisations)	41.5	0.6		41.6	(0.3)	
NPL ratio	4.65	(0.09 P.)		4.65	(0.48)	
NPL coverage	85.4	1.0 P.		85.4	2.0	
Number of employees	88,893	1.8		88,893	6.6	
Number of branches	5,812	0.5		5,812	2.2	

(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments
NOTE: In 2Q'15 and 9M'15 not including attributable profit of EUR 835 million due to the net result of the reversal of tax liabilities in Brazil

Activity performance

y-o-y % (Sep'15 / Sep'14 w/o FX)

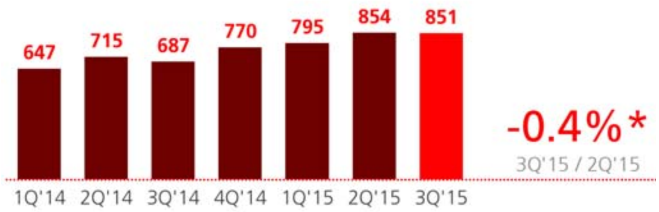
(*) Customer deposits + mutual funds

Activity performance

q-o-q % (Sep'15 / Jun'15 w/o FX)

Attributable profit ordinario

Constant € million



(*) In euros: -10.6%

Brazil

€ million

Income statement	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
Net interest income	**1,976**	**(9.6)**	**3.9**	**6,416**	**(4.1)**	**7.9**
Net fees	622	(8.9)	4.6	2,012	(1.9)	10.4
Gains (losses) on financial transactions	6	(91.2)	(83.3)	96	(18.0)	(7.7)
Other operating income*	53	14.6	27.5	119	55.6	75.0
Gross income	**2,656**	**(10.9)**	**2.5**	**8,643**	**(3.3)**	**8.8**
Operating expenses	(1,056)	(8.3)	5.3	(3,393)	(6.9)	4.7
General administrative expenses	(960)	(7.2)	6.3	(3,062)	(6.1)	5.7
Personnel	*(525)*	*(8.1)*	*5.3*	*(1,671)*	*(3.9)*	*8.1*
Other general administrative expenses	*(435)*	*(6.1)*	*7.5*	*(1,392)*	*(8.6)*	*2.8*
Depreciation and amortisation	(96)	(17.2)	(4.0)	(330)	(13.9)	(3.1)
Net operating income	**1,600**	**(12.6)**	**0.7**	**5,251**	**(0.8)**	**11.6**
Net loan-loss provisions	(813)	(1.9)	11.8	(2,467)	(11.7)	(0.7)
Other income	(255)	(3.3)	9.8	(727)	29.6	45.8
Ordinary profit before taxes	**533**	**(27.9)**	**(14.8)**	**2,057**	**6.2**	**19.5**
Tax on profit	(99)	(56.9)	(44.4)	(582)	9.2	22.9
Ordinary profit from continuing operations	**434**	**(14.7)**	**(1.3)**	**1,474**	**5.1**	**18.2**
Net profit from discontinued operations	—	—	—	—	—	—
Ordinary consolidated profit	**434**	**(14.7)**	**(1.3)**	**1,474**	**5.1**	**18.2**
Minority interests	49	(13.7)	(0.5)	160	(51.0)	(44.9)
Ordinary attributable profit to the Group	**385**	**(14.8)**	**(1.4)**	**1,315**	**22.1**	**37.4**
Balance sheet						
Customer loans**	58,227	(19.2)	4.3	58,227	(20.1)	16.1
Trading portfolio (w/o loans)	14,836	(6.2)	21.1	14,836	(18.2)	19.0
Available-for-sale financial assets	15,086	(42.1)	(25.2)	15,086	(1.3)	43.4
Due from credit institutions**	12,564	(5.5)	22.0	12,564	(16.1)	21.9
Intangible assets and property and equipment	2,129	(20.3)	2.9	2,129	(22.4)	12.9
Other assets	32,139	12.5	45.2	32,139	4.5	51.9
Total assets/liabilities & shareholders' equity	**134,982**	**(14.8)**	**10.0**	**134,982**	**(12.8)**	**26.7**
Customer deposits**	54,847	(18.4)	5.4	54,847	(22.6)	12.5
Marketable debt securities**	21,045	(14.8)	10.1	21,045	(8.5)	33.0
Subordinated debt**	3,986	(10.5)	15.6	3,986	(8.8)	32.6
Insurance liabilities	1	(26.0)	(4.4)	1	—	—
Due to credit institutions**	22,412	(10.5)	15.5	22,412	25.6	82.6
Other liabilities	21,795	(7.6)	19.3	21,795	(20.9)	15.0
Stockholders' equity ***	10,896	(19.3)	4.2	10,896	(2.5)	41.7
Other managed and marketed customer funds	**41,753**	**(16.3)**	**8.1**	**41,753**	**(17.9)**	**19.3**
Mutual and pension funds	39,129	(16.1)	8.4	39,129	(17.6)	19.7
Managed portfolios	2,625	(19.6)	3.8	2,625	(21.7)	13.9
Managed and marketed customer funds	**121,631**	**(16.8)**	**7.4**	**121,631**	**(18.4)**	**18.6**
Ratios (%) and operating means						
ROE	12.40	(1.70)		13.77	0.94	
Efficiency ratio (with amortisations)	39.7	1.1		39.3	(1.5)	
NPL ratio	5.30	0.17		5.30	(0.34)	
NPL coverage	96.0	0.1		96.0	4.6	
Number of employees	48,955	0.6		48,955	4.9	
Number of branches	3,436	—		3,436	0.3	

(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments
NOTE: In 2Q'15 and 9M'15 not including attributable profit of EUR 835 million due to the net result of the reversal of tax liabilities in Brazil

Activity performance

y-o-y % (Sep'15 / Sep'14 w/o FX)

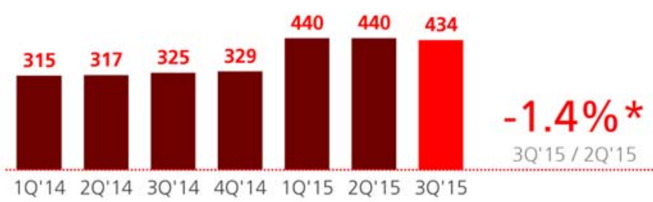
(*) Customer deposits + mutual funds

Activity performance

q-o-q % (Sep'15 / Jun'15 w/o FX)

Attributable profit ordinario

Constant € million



(*) In euros: -14.8%

Mexico

€ million

Income statement	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
Net interest income	**600**	**(3.3)**	**4.1**	**1,818**	**16.0**	**13.1**
Net fees	194	(9.2)	(2.0)	601	5.9	3.2
Gains (losses) on financial transactions	26	(21.4)	(13.7)	102	(26.4)	(28.3)
Other operating income*	(26)	89.9	99.8	(54)	58.9	54.9
Gross income	**794**	**(7.0)**	**0.4**	**2,467**	**10.2**	**7.4**
Operating expenses	(327)	(7.4)	(0.0)	(1,035)	8.4	5.7
General administrative expenses	(301)	(6.4)	1.0	(948)	7.8	5.1
Personnel	*(163)*	*(6.2)*	*1.2*	*(504)*	*15.7*	*12.8*
Other general administrative expenses	*(138)*	*(6.7)*	*0.9*	*(444)*	*0.1*	*(2.4)*
Depreciation and amortisation	(26)	(17.7)	(10.7)	(88)	15.2	12.3
Net operating income	**467**	**(6.6)**	**0.6**	**1,431**	**11.5**	**8.7**
Net loan-loss provisions	(227)	1.5	8.9	(662)	14.3	11.4
Other income	1	—	—	6	159.2	152.7
Profit before taxes	**241**	**(12.2)**	**(5.0)**	**776**	**9.7**	**6.9**
Tax on profit	(48)	(22.1)	(15.1)	(169)	21.7	18.6
Profit from continuing operations	**193**	**(9.3)**	**(2.1)**	**607**	**6.7**	**4.1**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**193**	**(9.3)**	**(2.1)**	**607**	**6.7**	**4.1**
Minority interests	50	(5.6)	1.6	152	12.3	9.5
Attributable profit to the Group	**143**	**(10.6)**	**(3.3)**	**456**	**5.0**	**2.4**
Balance sheet						
Customer loans**	28,198	(1.4)	6.7	28,198	7.8	20.3
Trading portfolio (w/o loans)	18,448	19.9	29.7	18,448	47.9	65.2
Available-for-sale financial assets	4,939	23.9	34.1	4,939	20.5	34.6
Due from credit institutions**	7,744	9.3	18.3	7,744	(19.4)	(10.0)
Intangible assets and property and equipment	363	(21.2)	(14.7)	363	(7.4)	3.4
Other assets	5,716	(1.1)	7.0	5,716	4.6	16.8
Total assets/liabilities & shareholders' equity	**65,408**	**6.7**	**15.5**	**65,408**	**12.4**	**25.5**
Customer deposits**	26,540	(7.7)	(0.1)	26,540	(7.5)	3.3
Marketable debt securities**	4,068	(13.8)	(6.7)	4,068	7.3	19.8
Subordinated debt**	1,159	(1.8)	6.2	1,159	12.9	26.0
Insurance liabilities	—	—	—	—	—	—
Due to credit institutions**	11,794	39.2	50.6	11,794	78.2	99.0
Other liabilities	16,801	26.0	36.4	16,801	26.3	41.0
Stockholders' equity ***	5,045	3.8	12.3	5,045	6.0	18.3
Other managed and marketed customer funds	**11,631**	**(7.4)**	**0.3**	**11,631**	**(6.2)**	**4.7**
Mutual and pension funds	11,631	(7.4)	0.3	11,631	(6.2)	4.7
Managed portfolios	—	—	—	—	—	—
Managed and marketed customer funds	**43,399**	**(8.1)**	**(0.5)**	**43,399**	**(5.5)**	**5.5**
Ratios (%) and operating means						
ROE	11.53	(1.74)		12.51	(0.15)	
Efficiency ratio (with amortisations)	41.2	(0.2)		42.0	(0.7)	
NPL ratio	3.54	(0.27)		3.54	(0.20)	
NPL coverage	93.0	5.5		93.0	2.9	
Number of employees	17,704	2.1		17,704	11.3	
Number of branches	1,354	(0.1)		1,354	4.2	

(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

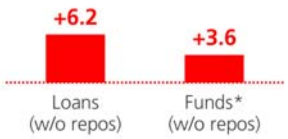
Activity performance

y-o-y % (Sep'15 / Sep'14 w/o FX)

(*) Customer deposits + mutual funds

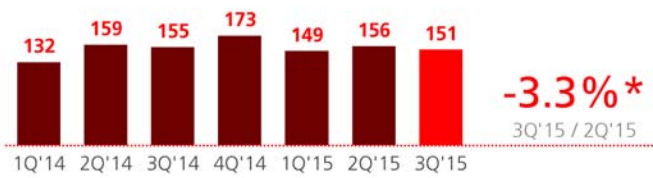
Activity performance

q-o-q % (Sep'15 / Jun'15 w/o FX)



Attributable profit

Constant € million



(*) In euros: -10.6%

Chile

€ million

Income statement	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
Net interest income	**460**	**(7.5)**	**1.3**	**1,356**	**9.1**	**2.1**
Net fees	93	(2.7)	6.7	275	14.1	6.8
Gains (losses) on financial transactions	51	43.1	59.3	151	73.1	62.0
Other operating income*	2	(54.7)	(47.7)	10	(31.9)	(36.3)
Gross income	**606**	**(4.3)**	**4.9**	**1,792**	**13.0**	**5.8**
Operating expenses	(243)	(7.9)	1.3	(743)	16.6	9.2
General administrative expenses	(224)	(8.1)	1.0	(687)	16.5	9.0
Personnel	*(138)*	*(7.4)*	*1.6*	*(415)*	*19.3*	*11.7*
Other general administrative expenses	*(86)*	*(9.4)*	*(0.0)*	*(272)*	*12.5*	*5.3*
Depreciation and amortisation	(18)	(4.2)	5.4	(56)	18.3	10.7
Net operating income	**364**	**(1.7)**	**7.5**	**1,049**	**10.6**	**3.5**
Net loan-loss provisions	(153)	20.9	31.9	(410)	12.5	5.3
Other income	(4)	50.3	46.3	(1)	(87.0)	(87.8)
Profit before taxes	**207**	**(14.1)**	**(5.7)**	**638**	**10.5**	**3.4**
Tax on profit	(25)	(11.5)	0.2	(96)	16.4	8.9
Profit from continuing operations	**182**	**(14.5)**	**(6.5)**	**541**	**9.5**	**2.5**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**182**	**(14.5)**	**(6.5)**	**541**	**9.5**	**2.5**
Minority interests	57	(12.9)	(5.1)	164	5.0	(1.7)
Attributable profit to the Group	**125**	**(15.2)**	**(7.1)**	**378**	**11.5**	**4.4**
Balance sheet						
Customer loans**	31,874	(5.5)	3.8	31,874	9.7	13.9
Trading portfolio (w/o loans)	3,665	25.6	37.9	3,665	34.6	39.7
Available-for-sale financial assets	2,449	(13.5)	(5.0)	2,449	11.7	16.0
Due from credit institutions**	4,489	11.7	22.6	4,489	23.7	28.4
Intangible assets and property and equipment	343	(7.8)	1.3	343	15.9	20.4
Other assets	2,658	1.4	11.3	2,658	(3.3)	0.4
Total assets/liabilities & shareholders' equity	**45,477**	**(2.2)**	**7.4**	**45,477**	**11.9**	**16.2**
Customer deposits**	23,211	(4.1)	5.3	23,211	9.0	13.2
Marketable debt securities**	6,743	(9.4)	(0.5)	6,743	11.5	15.8
Subordinated debt**	942	(7.9)	1.1	942	(18.2)	(15.1)
Insurance liabilities	—	—	—	—	—	—
Due to credit institutions**	5,878	1.3	11.3	5,878	14.4	18.8
Other liabilities	5,843	13.9	25.1	5,843	29.9	34.9
Stockholders' equity ***	2,860	(1.3)	8.4	2,860	13.6	17.9
Other managed and marketed customer funds	**7,307**	**(6.2)**	**3.0**	**7,307**	**7.8**	**12.0**
Mutual and pension funds	5,463	(5.6)	3.7	5,463	5.2	9.2
Managed portfolios	1,845	(8.0)	1.0	1,845	16.6	21.0
Managed and marketed customer funds	**38,204**	**(5.6)**	**3.7**	**38,204**	**8.3**	**12.5**
Ratios (%) and operating means						
ROE	17.35	(2.31)		16.97	(1.14)	
Efficiency ratio (with amortisations)	40.0	(1.6)		41.5	1.3	
NPL ratio	5.60	(0.13)		5.60	(0.38)	
NPL coverage	52.8	1.2		52.8	0.5	
Number of employees	12,334	0.2		12,334	1.6	
Number of branches	476	(0.6)		476	—	

(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

Activity performance

y-o-y % (Sep'15 / Sep'14 w/o FX)

(*) Customer deposits + mutual funds

Activity performance

q-o-q % (Sep'15 / Jun'15 w/o FX)

Attributable profit

Constant € million

(*) In euros: -15.2%

United States

€ million

Income statement	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
Net interest income	**1,550**	**0.1**	**0.7**	**4,562**	**29.1**	**6.2**
Net fees	266	(1.9)	(1.3)	799	30.7	7.4
Gains (losses) on financial transactions	39	(62.1)	(62.1)	193	43.1	17.6
Other operating income*	96	25.5	26.6	265	197.0	144.1
Gross income	**1,952**	**(2.4)**	**(1.8)**	**5,820**	**33.2**	**9.5**
Operating expenses	(772)	5.9	6.5	(2,197)	35.8	11.7
General administrative expenses	(708)	6.7	7.4	(2,007)	36.5	12.2
Personnel	*(388)*	*2.3*	*2.9*	*(1,130)*	*37.5*	*13.1*
Other general administrative expenses	*(320)*	*12.6*	*13.3*	*(877)*	*35.2*	*11.1*
Depreciation and amortisation	(64)	(2.8)	(2.3)	(191)	29.1	6.1
Net operating income	**1,180**	**(7.1)**	**(6.6)**	**3,622**	**31.7**	**8.2**
Net loan-loss provisions	(750)	(0.5)	(0.0)	(2,144)	29.4	6.4
Other income	(37)	(11.9)	(11.7)	(97)	403.9	314.3
Profit before taxes	**393**	**(17.2)**	**(16.7)**	**1,382**	**28.4**	**5.6**
Tax on profit	(129)	(17.9)	(17.4)	(444)	38.6	13.9
Profit from continuing operations	**264**	**(16.9)**	**(16.4)**	**938**	**24.1**	**2.0**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**264**	**(16.9)**	**(16.4)**	**938**	**24.1**	**2.0**
Minority interests	78	(22.6)	(22.1)	278	75.0	43.9
Attributable profit to the Group	**186**	**(14.3)**	**(13.7)**	**660**	**10.6**	**(9.1)**

Balance sheet	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
Customer loans**	80,789	1.4	1.6	80,789	21.0	7.7
Trading portfolio (w/o loans)	1,248	(25.5)	(25.4)	1,248	(68.5)	(72.0)
Available-for-sale financial assets	18,446	9.9	10.0	18,446	58.1	40.8
Due from credit institutions**	4,305	(13.4)	(13.3)	4,305	27.8	13.8
Intangible assets and property and equipment	8,585	8.7	8.8	8,585	42.9	27.2
Other assets	12,065	19.6	19.8	12,065	40.6	25.2
Total assets/liabilities & shareholders' equity	**125,438**	**3.6**	**3.7**	**125,438**	**25.0**	**11.3**
Customer deposits**	58,970	1.4	1.6	58,970	19.0	5.9
Marketable debt securities**	21,552	2.9	3.0	21,552	36.3	21.4
Subordinated debt**	891	2.1	2.3	891	14.5	2.0
Insurance liabilities	—	—	—	—	—	—
Due to credit institutions**	25,138	16.5	16.6	25,138	82.0	62.0
Other liabilities	7,571	(9.8)	(9.7)	7,571	(16.8)	(25.9)
Stockholders' equity ***	11,315	1.6	1.7	11,315	(0.0)	(11.0)
Other managed and marketed customer funds	**19,980**	**(4.6)**	**(4.5)**	**19,980**	**35.7**	**20.8**
Mutual and pension funds	7,317	(5.1)	(4.9)	7,317	115.1	91.5
Managed portfolios	12,663	(4.3)	(4.2)	12,663	11.8	(0.5)
Managed and marketed customer funds	**101,394**	**0.5**	**0.6**	**101,394**	**25.4**	**11.6**

Ratios (%) and operating means	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
ROE	6.67	(1.14)		7.88	0.56	
Efficiency ratio (with amortisations)	39.6	3.1		37.8	0.7	
NPL ratio	2.20	—		2.20	(0.37)	
NPL coverage	218.3	(5.9)		218.3	34.6	
Number of employees	17,592	2.0		17,592	6.2	
Number of branches	783	—		783	(3.6)	

(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

Activity performance

y-o-y % (Sep'15 / Sep'14 w/o FX)

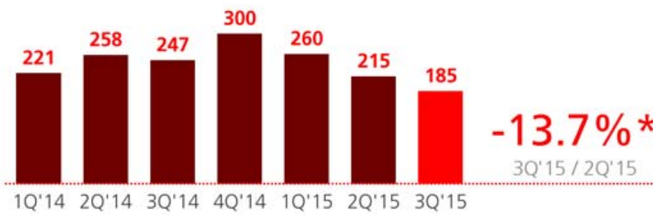
(*) Customer deposits + mutual funds

Activity performance

q-o-q % (Sep'15 / Jun'15 w/o FX)

Attributable profit

Constant € million



(*) In euros: -14.3%

Corporate Centre

€ million

Income statement	3Q'15	2Q'15	%	9M'15	9M'14	%
Net interest income	**(139)**	**(132)**	**5.1**	**(491)**	**(498)**	**(1.4)**
Net fees	(0)	(6)	(98.3)	(8)	(15)	(51.1)
Gains (losses) on financial transactions	90	(68)	—	34	537	(93.7)
Other operating income	(8)	28	—	1	(15)	—
Dividends	24	38	(37.5)	63	25	148.9
Income from equity-accounted method	(16)	(8)	96.0	(37)	(25)	48.8
Other operating income/expenses	(15)	(2)	830.0	(25)	(16)	60.4
Gross income	**(56)**	**(177)**	**(68.2)**	**(463)**	**9**	**—**
Operating expenses	(142)	(150)	(5.5)	(435)	(436)	(0.4)
Net operating income	**(199)**	**(327)**	**(39.4)**	**(898)**	**(428)**	**109.9**
Net loan-loss provisions	(1)	2	—	0	0	42.7
Other income	(148)	(132)	12.3	(378)	(128)	195.6
Ordinary profit before taxes	**(348)**	**(458)**	**(24.0)**	**(1,275)**	**(555)**	**129.7**
Tax on profit	(44)	(32)	35.2	(72)	(8)	756.1
Ordinary profit from continuing operations	**(392)**	**(490)**	**(20.1)**	**(1,347)**	**(564)**	**139.0**
Net profit from discontinued operations	(0)	—	—	—	—	—
Ordinary consolidated profit	**(392)**	**(490)**	**(20.1)**	**(1,347)**	**(564)**	**139.0**
Minority interests	2	(1)	—	28	(1)	—
Ordinary attributable profit to the Group	**(394)**	**(489)**	**(19.5)**	**(1,375)**	**(563)**	**144.3**
Balance sheet						
Trading portfolio (w/o loans)	1,331	3,058	(56.5)	1,331	3,934	(66.2)
Available-for-sale financial assets	3,585	3,721	(3.7)	3,585	2,237	60.2
Investments	26,777	28,593	(6.3)	26,777	27,364	(2.1)
Goodwill	77,606	81,700	(5.0)	77,606	73,201	6.0
Other assets	35,635	36,369	(2.0)	35,635	34,761	2.5
Total assets/liabilities & shareholders' equity	**144,935**	**153,442**	**(5.5)**	**144,935**	**141,497**	**2.4**
Customer deposits*	1,997	2,177	(8.3)	1,997	1,632	22.3
Marketable debt securities*	24,448	22,220	10.0	24,448	25,940	(5.8)
Subordinated debt*	8,354	6,861	21.8	8,354	3,481	140.0
Other liabilities	25,139	30,105	(16.5)	25,139	34,996	(28.2)
Stockholders' equity **	84,998	92,078	(7.7)	84,998	75,447	12.7
Other managed and marketed customer funds	—	—	—	—	—	—
Mutual and pension funds	—	—	—	—	—	—
Managed portfolios	—	—	—	—	—	—
Managed and marketed customer funds	**34,798**	**31,258**	**11.3**	**34,798**	**31,053**	**12.1**
Operating means						
Number of employees	**2,161**	**2,184**	**(1.1)**	**2,161**	**2,033**	**6.3**

(*).- Including all on-balance sheet balances for this item
(**).- Capital + reserves + profit + valuation adjustments

Retail Banking

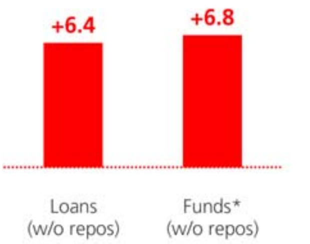
€ million

		o/ 2Q'15			o/ 9M'14	
Income statement	**3Q'15**	**%**	**% w/o FX**	**9M'15**	**%**	**% w/o FX**
Net interest income	**7,434**	**(3.1)**	**1.7**	**22,639**	**10.2**	**7.3**
Net fees	2,134	(2.6)	2.4	6,497	5.7	4.8
Gains (losses) on financial transactions	337	(3.2)	1.1	1,038	16.4	12.0
Other operating income*	190	1.6	4.2	552	277.6	241.4
Gross income	**10,094**	**(2.9)**	**1.9**	**30,726**	**10.8**	**8.2**
Operating expenses	(4,621)	(1.7)	2.8	(13,980)	8.8	6.5
Net operating income	**5,473**	**(3.9)**	**1.1**	**16,746**	**12.6**	**9.6**
Net loan-loss provisions	(2,289)	(1.3)	4.6	(6,928)	(6.8)	(8.4)
Other income	(479)	1.1	8.5	(1,325)	26.3	30.8
Ordinary profit before taxes	**2,705**	**(6.9)**	**(2.9)**	**8,494**	**32.9**	**26.8**
Tax on profit	(620)	(18.4)	(14.3)	(2,144)	41.6	34.9
Ordinary profit from continuing operations	**2,085**	**(2.8)**	**1.2**	**6,350**	**30.2**	**24.3**
Net profit from discontinued operations	(0)	—	—	—	(100.0)	(100.0)
Ordinary consolidated profit	**2,085**	**(2.8)**	**1.2**	**6,350**	**30.4**	**24.4**
Minority interests	291	(8.7)	(4.3)	893	14.7	12.4
Ordinary attributable profit to the Group	**1,794**	**(1.8)**	**2.1**	**5,456**	**33.4**	**26.6**

(*).- Including dividends, income from equity-accounted method and other operating income/expenses
NOTE: In 2Q'15 and 9M'15 not including attributable profit of EUR 835 million due to the net result of the reversal of tax liabilities in Brazil

Activity performance

y-o-y % (Sep'15 / Sep'14 w/o FX)



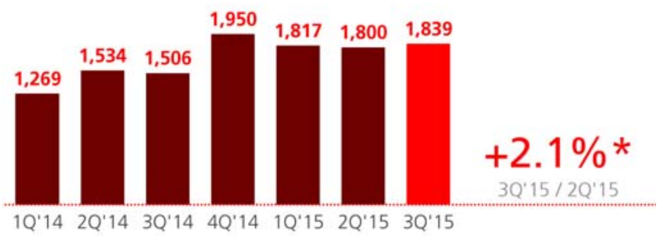
(*) Customer deposits + mutual funds

Activity performance

q-o-q % (Sep'15 / Jun'15 w/o FX)

Attributable profit ordinario

Constant € million



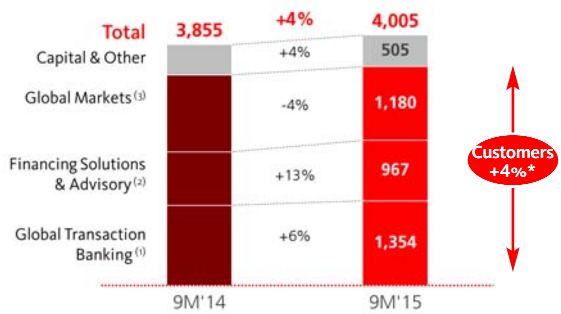
(*) In euros: -1.8%

Santander Global Corporate Banking
€ million

Income statement	3Q'15	o/ 2Q'15 %	o/ 2Q'15 % w/o FX	9M'15	o/ 9M'14 %	o/ 9M'14 % w/o FX
Net interest income	**699**	**(5.7)**	**1.0**	**2,178**	**20.1**	**21.2**
Net fees	341	(15.2)	(11.0)	1,095	5.4	4.4
Gains (losses) on financial transactions	164	182.7	183.8	508	(36.2)	(38.2)
Other operating income*	49	(68.3)	(68.3)	224	8.2	8.2
Gross income	**1,253**	**(7.5)**	**(2.5)**	**4,005**	**3.9**	**3.3**
Operating expenses	(520)	(0.4)	2.9	(1,553)	13.4	10.3
Net operating income	**732**	**(12.0)**	**(5.8)**	**2,452**	**(1.4)**	**(0.6)**
Net loan-loss provisions	(107)	(25.5)	(15.0)	(449)	2.6	1.6
Other income	(28)	19.2	17.0	(46)	24.6	24.8
Profit before taxes	**598**	**(10.2)**	**(4.7)**	**1,957**	**(2.7)**	**(1.6)**
Tax on profit	(176)	(2.6)	3.1	(555)	(0.8)	0.9
Profit from continuing operations	**421**	**(13.0)**	**(7.6)**	**1,402**	**(3.4)**	**(2.5)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**421**	**(13.0)**	**(7.6)**	**1,402**	**(3.4)**	**(2.5)**
Minority interests	25	(24.5)	(13.6)	98	(16.6)	(14.1)
Attributable profit to the Group	**396**	**(12.1)**	**(7.1)**	**1,304**	**(2.3)**	**(1.6)**

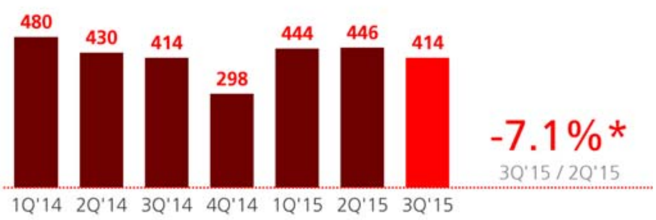
(*).- Including dividends, income from equity-accounted method and other operating income/expenses

Gross income breakdown
€ million



(*) Excluding exchange rate impact: total revenues: +3%; customers : +3%

Attributable profit
Constant € million



(*) In euros: -12.1%

(1) **Global Transaction Banking:** includes the business of cash management, trade finance, basic financing and custody.

(2) **Financing Solutions & Advisory:** includes the units of origination and distribution of corporate loans and structured financings, bond and securitisation origination teams, corporate finance units (mergers and acquisitions, primary markets of equities, investment solutions for corporate clients via derivatives), and asset & capital structuring.

(3) **Global Markets:** includes the sale and distribution of fixed income and equity derivatives, interest rates and inflation; the trading and hedging of exchange rates, and short-term money markets for the Group»s wholesale and retail clients; management of books associated with distribution; and brokerage of equities, and derivatives for investment and hedging solutions.

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