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INVESTOR DAY

DELIVERING PROFITABLE GROWTH



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Santander Cards

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What is Santander Cards

2

Strategy

3

Main Targets

1

What is Santander Cards

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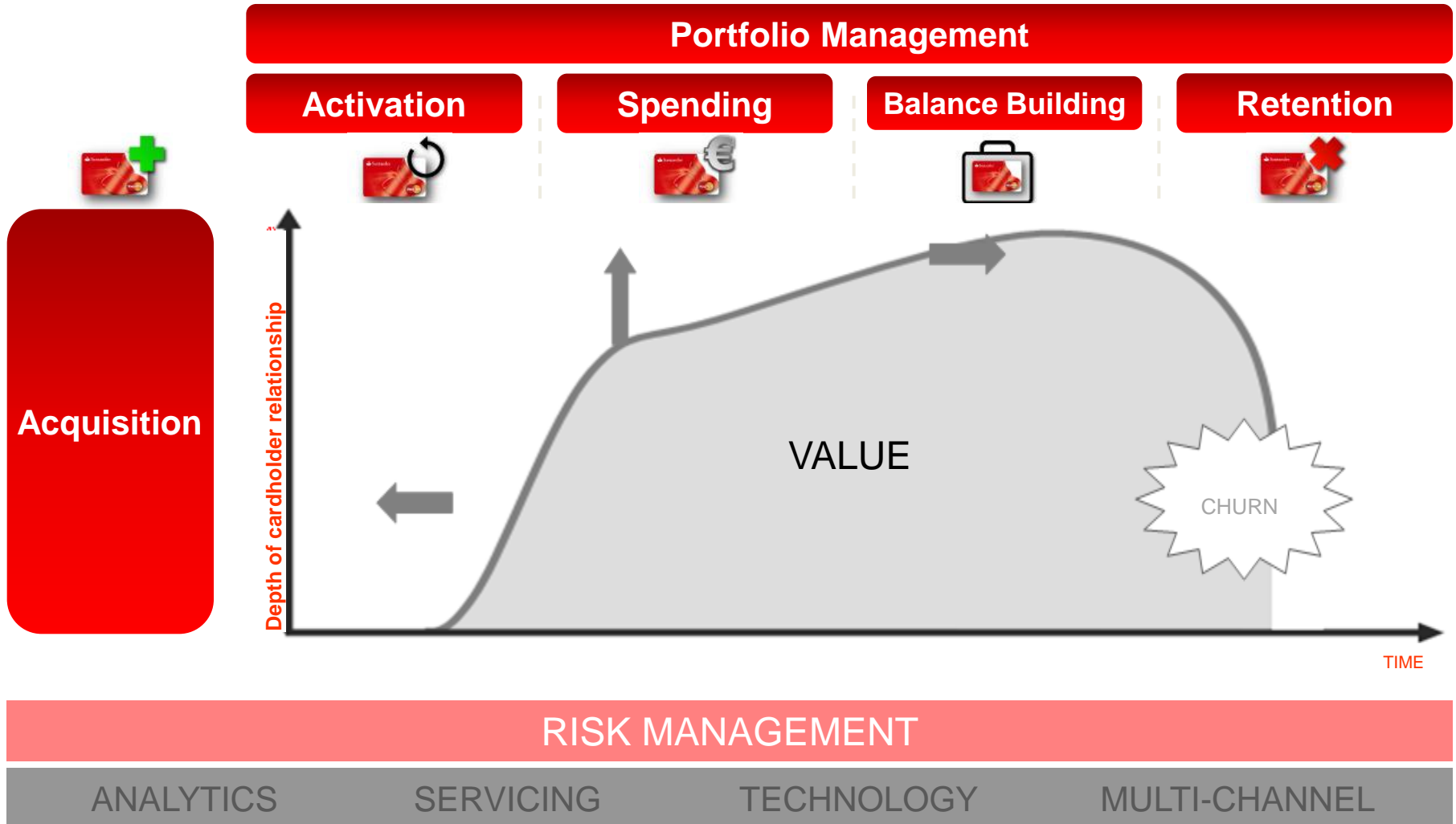
Main Targets

Our approach continues to be the world's best integrated cards specialist within a retail bank (since 2002)...



... contributing to improve our local banks' performance

Our model is based on managing all levers along the product lifecycle using our own methodology

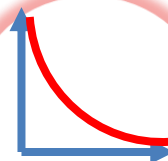


Santander Cards Global Division's value to the Group



Knowledge

- **Homogeneous Business Model**
- Common **methodologies**
- **Similar organizational structures** across countries
- True **best practices sharing**
- **Global specialists and knowledge initiatives** (Forums, Campaigns Library, Benchmarking, etc.)



Economies of scale

- **Talent Management**: global opportunities, specialist trainings
- **Global relationships** with key industry players (Amex, Visa, MasterCard, Diners)
- **Global Products and Alliances** (Elavon, FDI, Ferrari, etc.)



Value added to the Group

All clients around the world receive the same global design in Debit Cards and Traditional Credit Cards



And our model also pushes innovation and creativity in accordance with the local market environment with proven cases of success

Revolving Cards

Brazil



Mexico



Spain

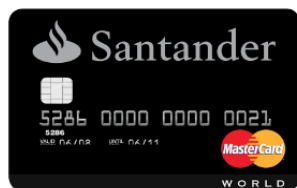


Portugal



Transaction Cards

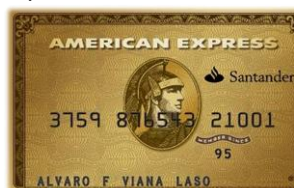
UK



Puerto Rico



Spain



Brazil



Security Cards

Chile



Mexico



Spain



Portugal



The most recent successful case is Ferrari

Global Card successfully launched in **5 countries**

Spain

Mexico

Brazil

Portugal

Germany

Blockbuster Product

- ➔ 300,000 Ferrari Cards in the world in one year.

Value Proposition

- ➔ Very relevant, aspirational, exclusivity



Santander Cards - Key Figures (2010)



- 16 Countries

As part of Santander Retail Bank Activities + Santander Consumer Finance



Credit Card

- 36 million cards
- €41 billion Turnover



Debit Card

- 57 million cards
- €119 billion Turnover



Economics

- €15 billion Loans
- €4 billion Revenue (includes credit, debit & acquiring)



The Nilson Report
Top Issuers Worldwide - Turnover 2010

Country	Santander's Position
Argentina	1st
Brazil	3rd
Chile	1st
Germany	5th
Mexico	3rd
Norway	6th
Portugal	4th
Poland	4th
Spain	2nd
UK	5th
Sovereign (US)	27th

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What is Santander Cards

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Main Targets

Santander Cards achieved 20% growth in revenues net of risk provisions between 2007 and 2010

CAGR

Loans (€MM)



Revenues (€MM)



Revenues net of risk provisions (€MM)



Note: Figures include Banesto and Santander Consumer Finance

Note 2: Santander Cards perimeter includes Credit cards, Debit cards, Merchant Acquiring and ATMs

Key priorities for Santander Cards

Total loans 2010: 15,220 MM Euros
2% of Santander Group Customer Credits

5 Poland & USA

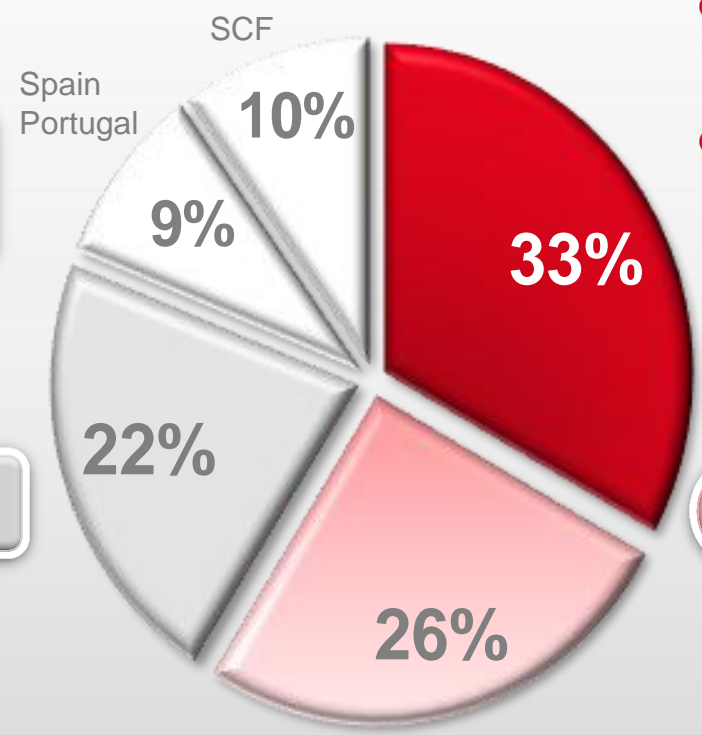
- Integrate and develop new geographies

4 Spain, Portugal & SCF*

- Increase transactional activity

3 UK

- Penetrate Santander customers base



1 Brazil

- Capture growth opportunities
- Build a competitive acquiring business

2 LATAM (ex. Brazil)

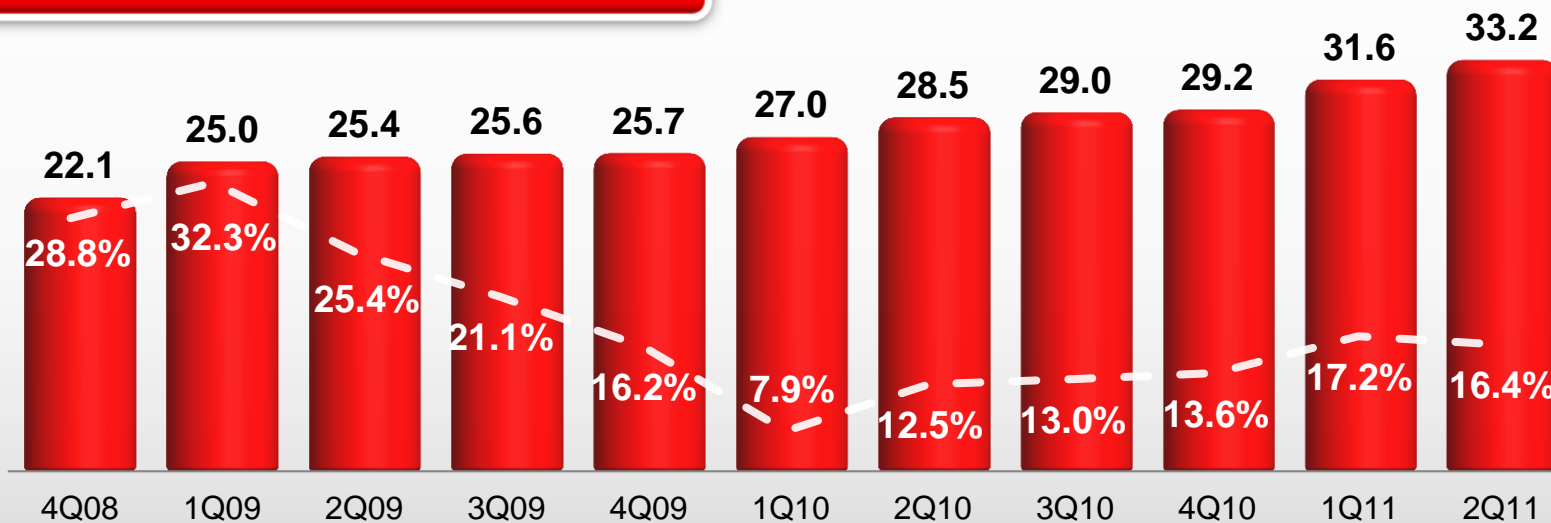
- Consolidate growth and leadership position

* Includes operations of Santander Consumer Finance in Germany, Norway, Italy, Poland and Spain

1 Growth in Brazil's credit card market over the last years



Market Loans (R\$ Bn and YOY % growth)



Santander Market Share % (1H 2011)

Credit turnover

14.0%

Outstanding Loans

11.7%

12.0%

Performing Loans (<90d)

10.7%

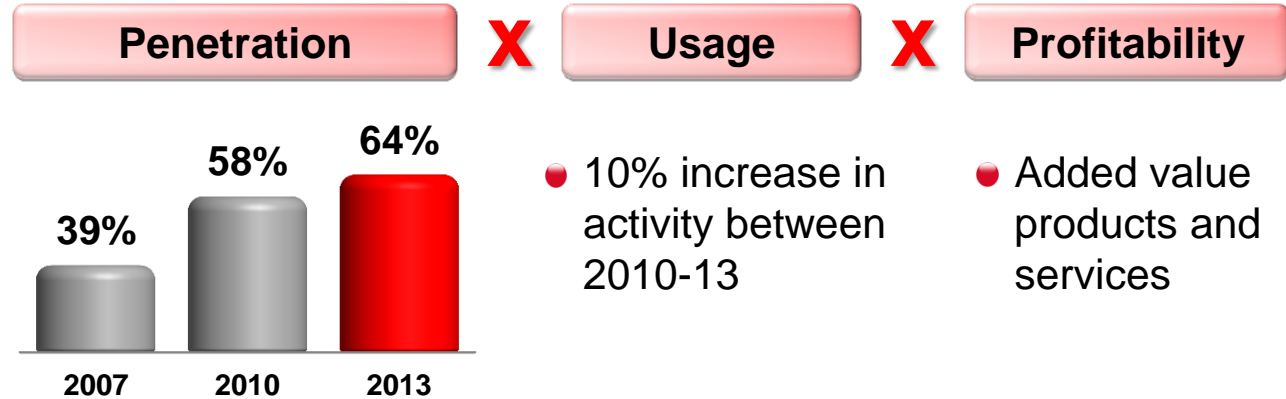
Non performing loans (>90d)

1 Brazil: focus on maximizing our customer base potential



Maximize customer base potential

80% of New accounts



Compete in non-bank customers

20% of New accounts

Continue selective growth in open-market customers.

- Focus on prime segments
- High risk predictability thanks to know-how acquired in past 5 years

Enter partnership agreements for co-branded cards.

- Leverage Group experience (UK, Spain, Chile)
- Focus on strategic partners: Shell / Esso and Telefónica

1 Merchant Acquiring: on track to meet 2010-2012 objectives



**300,000 new
affiliated merchants**

- 155,200 new merchants since launch in March 2010 (7.3% share in number of merchants).



**150,000 new
current accounts**

- 37,600 new current accounts; Initial focus was on cross-selling to existing customers.



**10% share in
transaction volume**

- 2% share in volume; Initial focus on small and medium merchants. Corporate business to be developed.

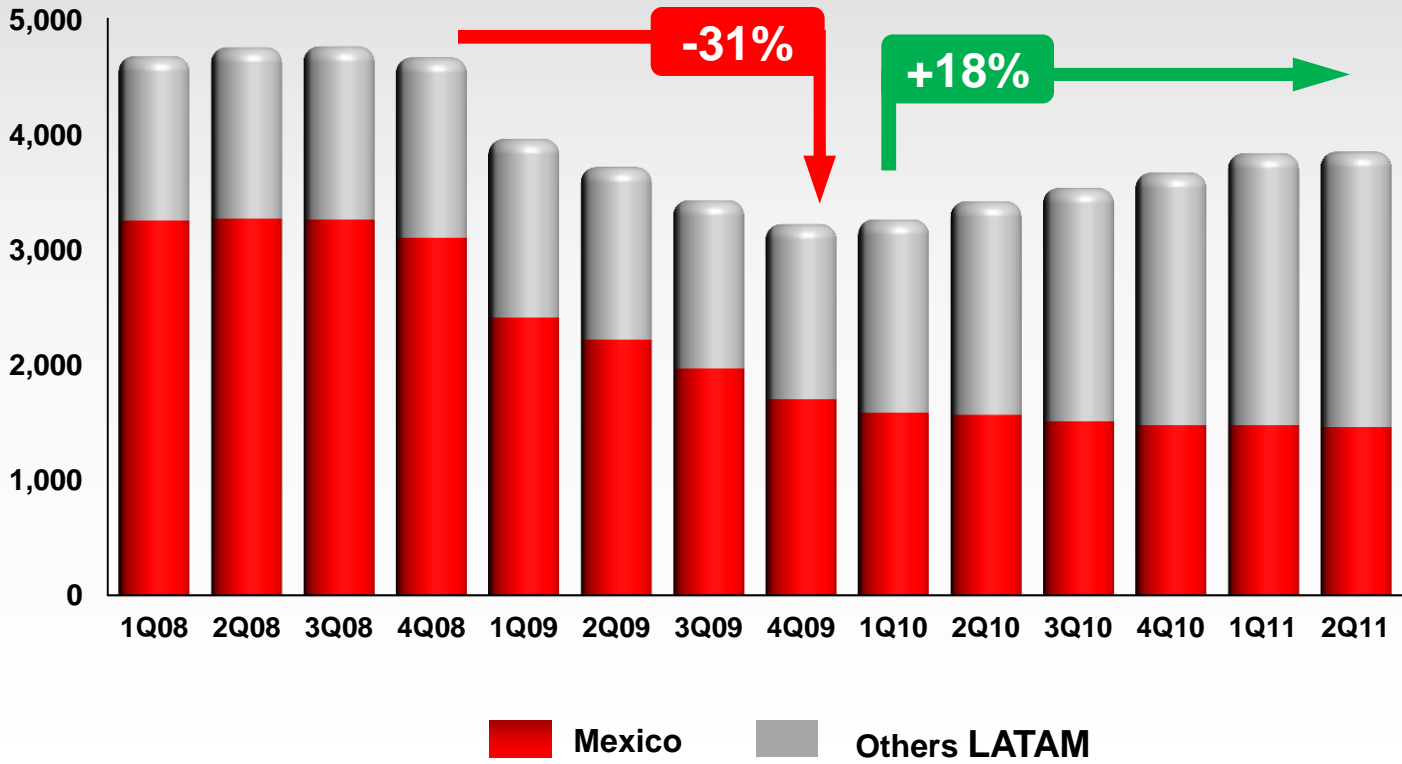


(in 2013)

2 Back to growth in Latin America (ex. Brazil)



Average Loans (Million euros) yoy %



Expected annual growth 2010-13

20%

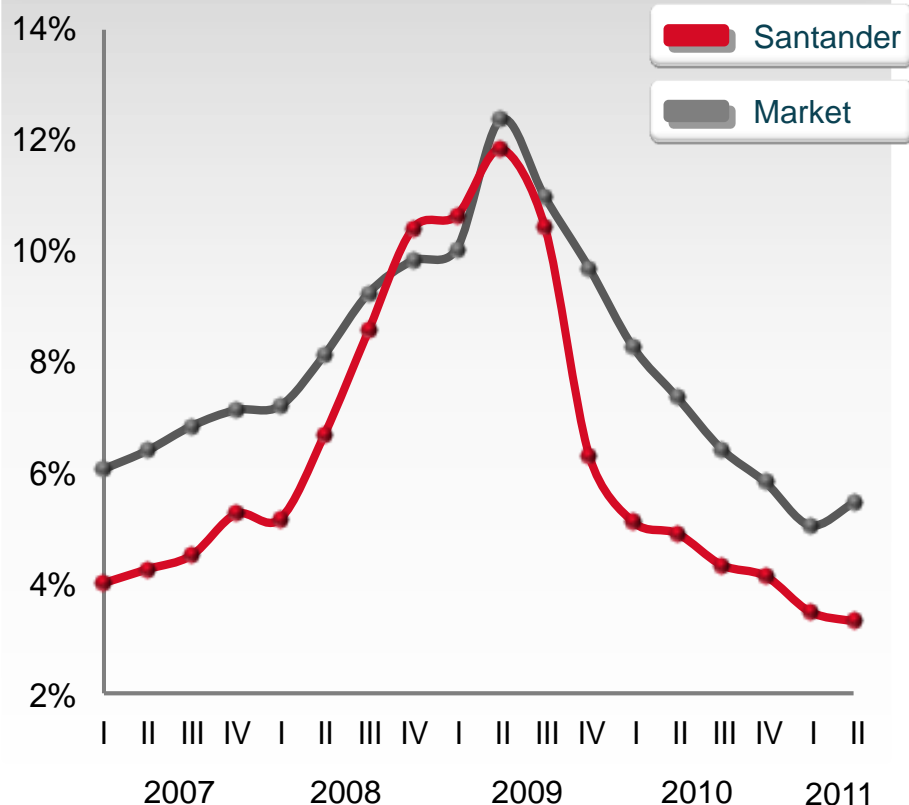
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The crisis had a strong impact on Mexico, but our risk performed better than the market and we gained important knowledge



Non Performing Loans

(% balance)



Main Actions taken during the crisis

- **Restriction on new accounts** (approval rate from 44% to 11%) and closure of open-market acquisitions
- **Credit limit decreases** by 30% and **reduction** of cash advances by 80%
- Strengthening **collection and recovery** processes
- **Aggressive repricing** to compensate credit losses (+700bp of yield)

Key Lessons Learned

- **Balance growth** between internal customers (x-selling) and non-bank customers.
- **Deepen relationships** with non-bank customers.
- **Reinforce risk capacities**, e.g. “stop-loss” indicators, methodology to react in crisis situation.

2

Mexico is now resuming commercial activity focused on bank customers



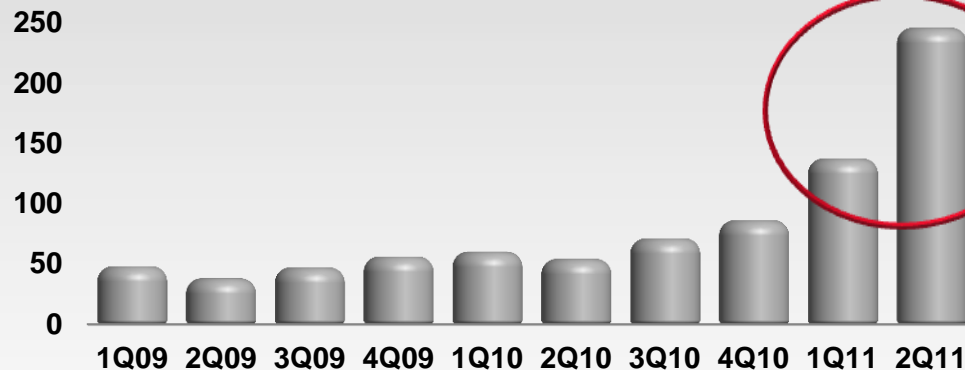
▶ Focus on cross-selling to customer base

▶ Using Bank channels

▶ And integrated offers

Acceleration in Acquisition

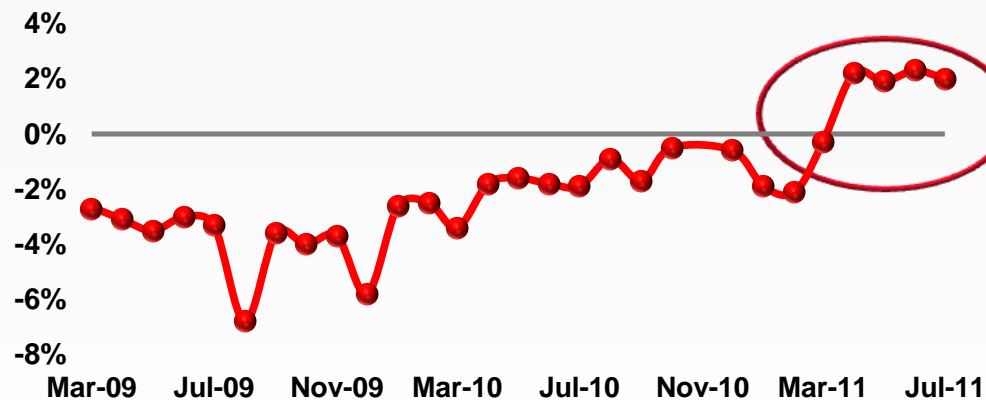
New accounts ('000)



~90% Branches and customers

Growth in Loans for the first time since 2008

(MOM%)

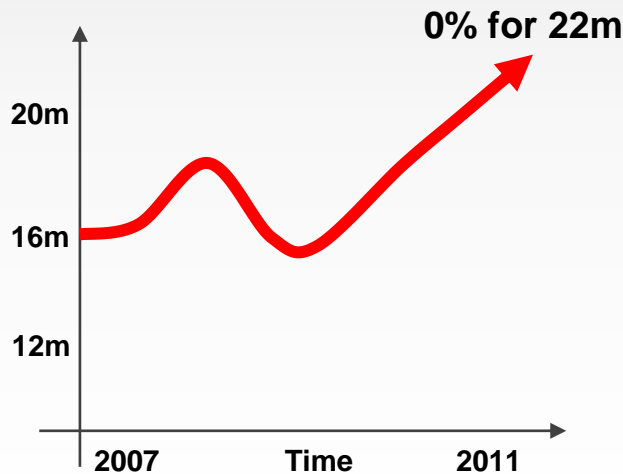


3 UK: focused on cross-selling to our customer base



Market Competes in Card Promotions

Interest Free Term



Santander Builds Relationship

- Focus on cards **cross-selling** to bank's customer base
- Build relationship through **on-going value** - **Reward** customer's everyday spend
- Leverage **Bank channels** (branches, internet, call-center)

x 2

Active accounts (2010-13)

Santander 1-2-3
World MasterCard®



4 Spain and Portugal: increasing transactional activity



Deleveraging markets

- Financial systems in restructuring
- Lending restrictions (liquidity, risk)

Average Loans YoY Growth 1H11

Santander Spain + Portugal

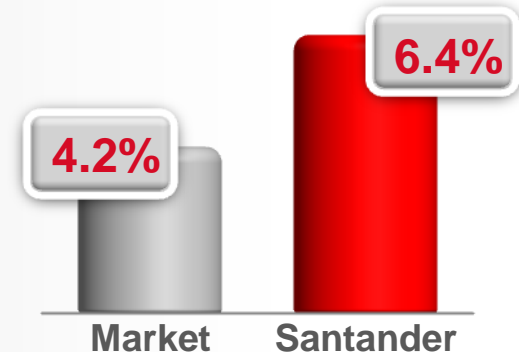


Focused on transactional activity

- Achieve growth superior to market by deepening customers relationship with the bank - 100% of credit card customers are bank customers
- 7% Santander's expected annual growth (2010-13)

Turnover* YoY Growth 1H11

Spain + Portugal



5 New geographies: Poland and US



Integrate BZ-WBK Cards operations

- High growth potential market (16% yoy growth in Debit + Credit spending in 1Q11).
- Well-positioned bank: 4th player in Cards (7% market share), innovations in pre-paid, contactless and mobile payments.
- Implement Santander Cards model to generate revenues and costs synergies.



Launch in-house credit cards in Sovereign

- Terminated agreement with BofA, recently purchased \$200M Sovereign cardholders portfolio.
- In-house credit card to be launched in 1S 2012.
- Implement Santander Cards' model, as we did in UK.
- Leverage Sovereign customers relationship and channels.

1

What is Santander Cards

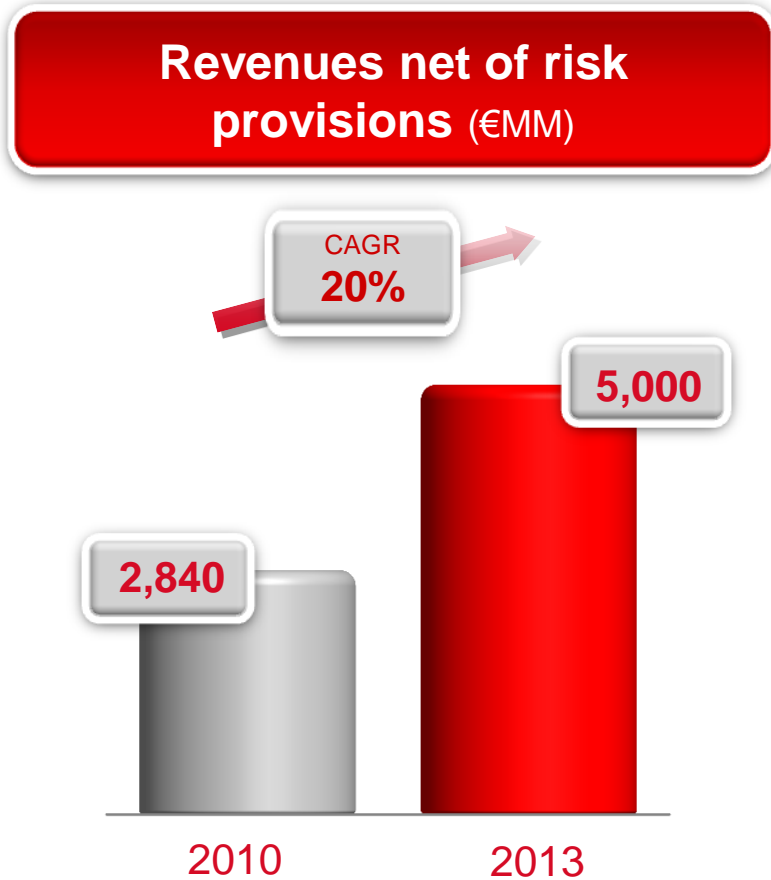
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Strategy

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Main Targets

In conclusion, our 2013 objectives are...



- 1** **Brazil** - *Capture growth in Issuing & Acquiring*
- 2** **Latam (ex Brazil)** - *Consolidate growth and leadership position*
- 3** **UK** - *Penetrate Santander customer base*
- 4** **Spain, Portugal & SCF** - *Increase transactional activity*
- 5** **Poland & USA** - *Integrate and develop*

