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Note: The businesses included in each of our geographical segments and the accounting principles under which their results are presented here may differ from the businesses included in our public subsidiaries in such geographies and the accounting principles applied locally. Accordingly, the results of operations and trends shown for our geographical segments may differ materially from those disclosed locally by such subsidiaries.

Agenda

1 Market outlook

2 Business model

3 Main geographies

4 Targets

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1 Market outlook

2 Business model

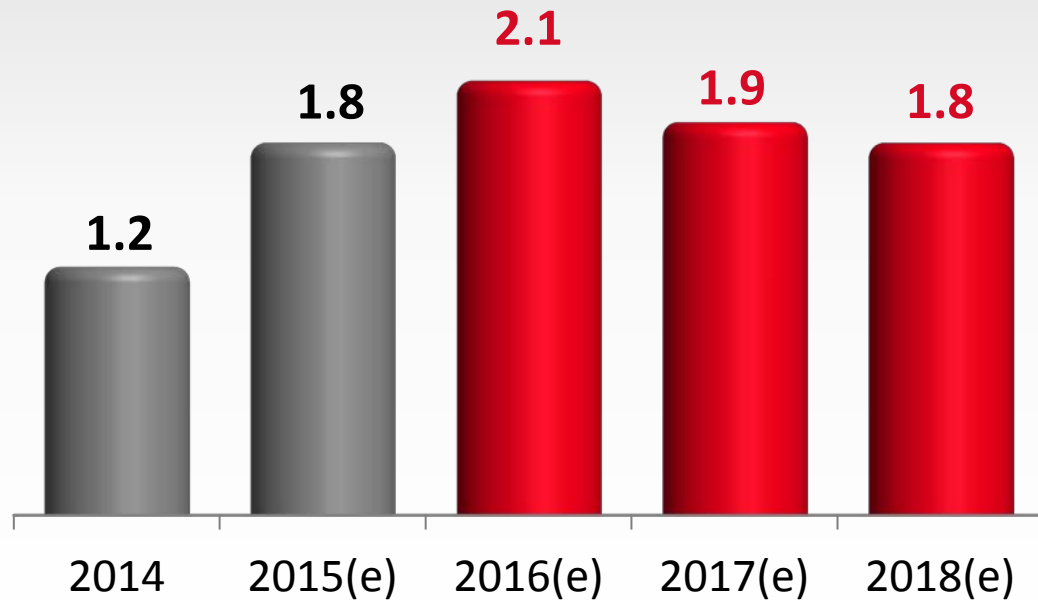
3 Main geographies

4 Targets

GDP and Unemployment forecasts are favourable for the consumer finance industry

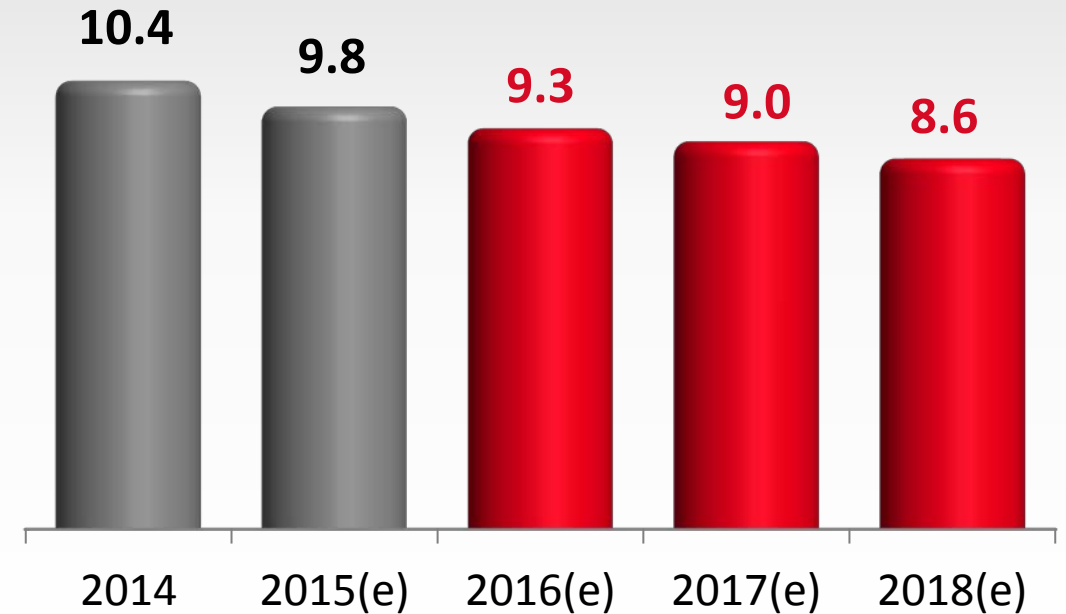
GDP (UE + UK + Poland + Nordic Countries)

(Real GDP; % var.)



Unemployment (UE + UK + Poland + Nordic Countries)

(%)

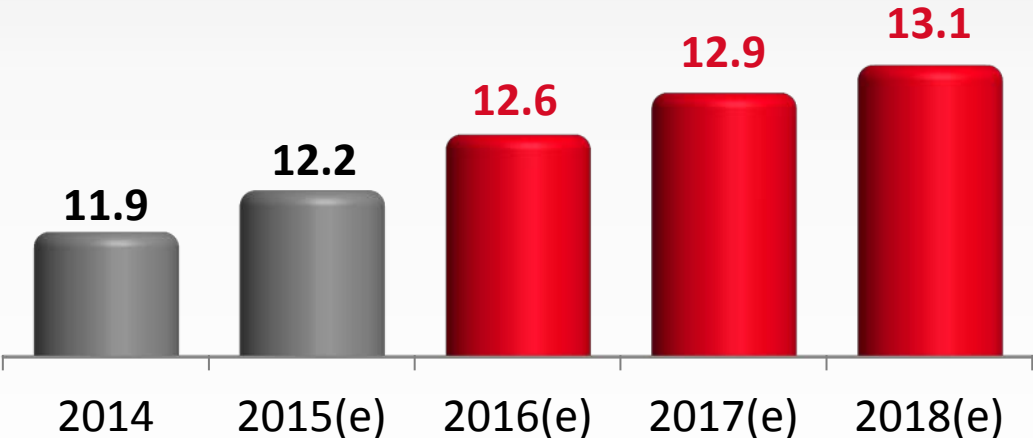


Source: Economic research Banco Santander

New and Used car sales forecasts, a key market for SCF, are expected to grow

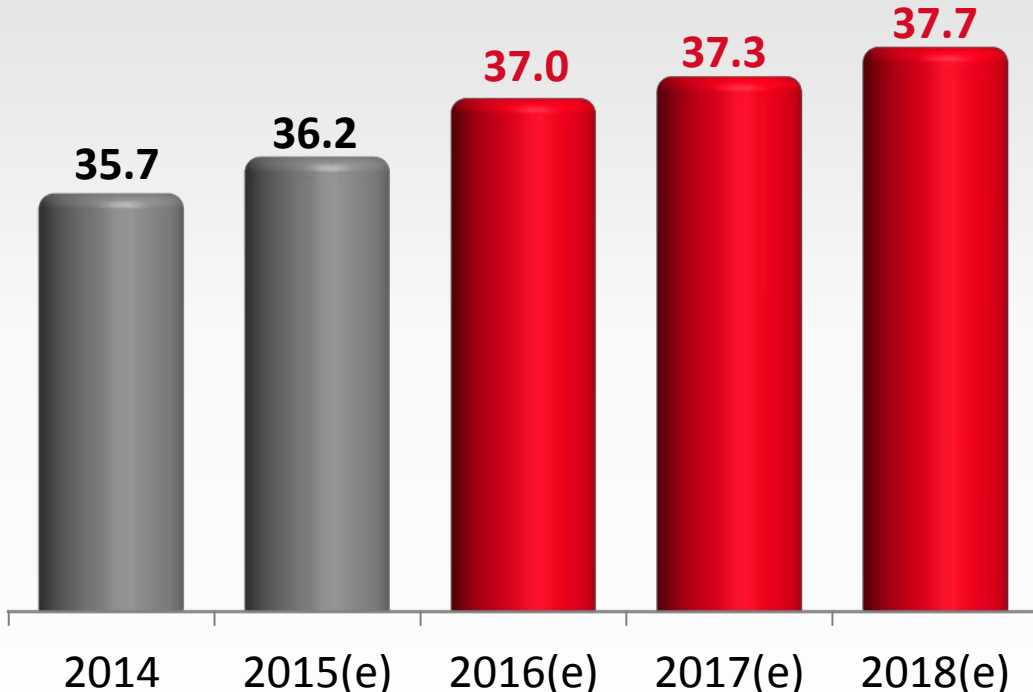
New car registrations

(MM)



Used car sales

(MM)



Source New cars: Market consensus MSI, LMC and Investment Banking companies

Source Used Cars: MSI Marketing Systems Iberia

14 European countries

Agenda

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Business model

SCF's business model

A

High diversification and European leadership

B

Advanced captive car finance and conversion platforms

C

Efficiency leadership with proven integration capabilities

D

Best-in-class risk and collections capabilities

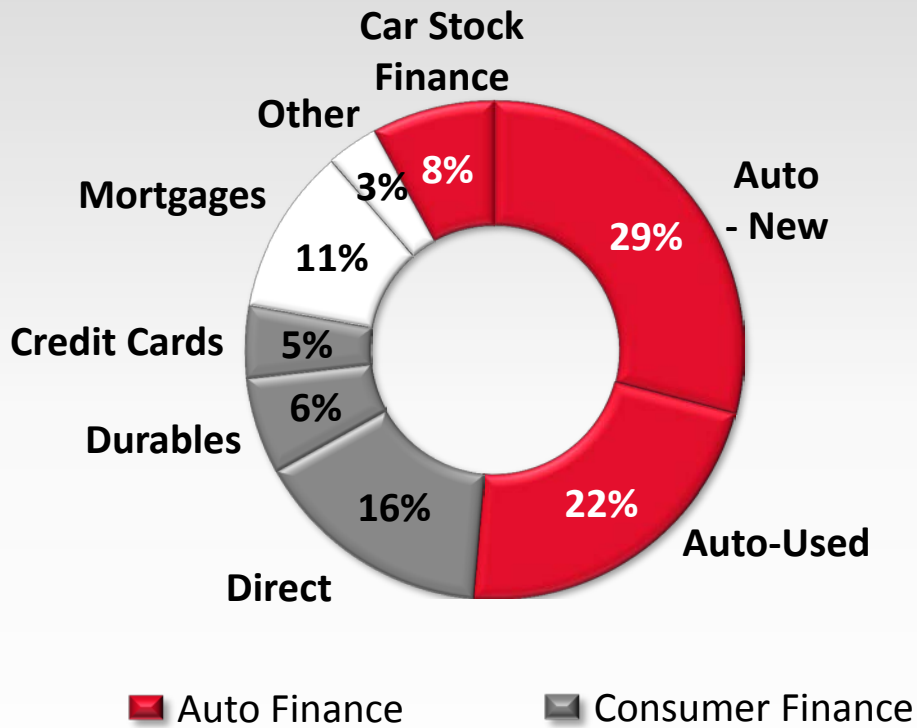
E

Sound funding structure and strong capital position

A Well balanced between car and consumer loans, and well spread across Europe

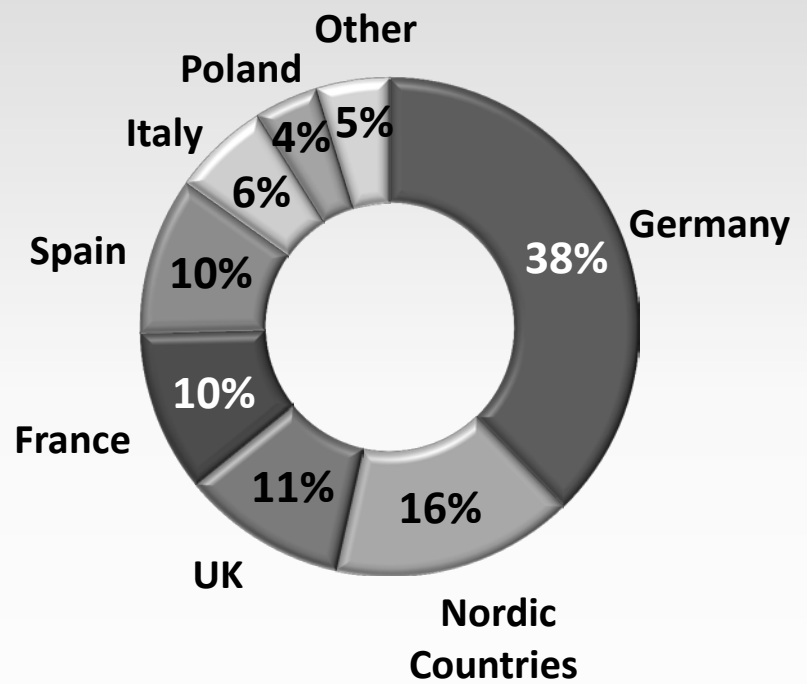
Diversification by products

(Jun'15)



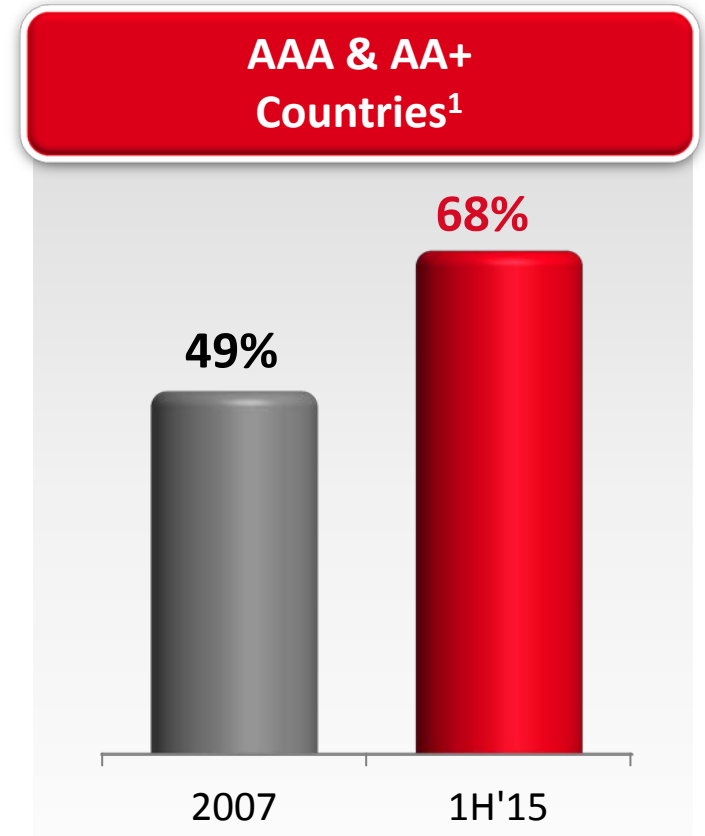
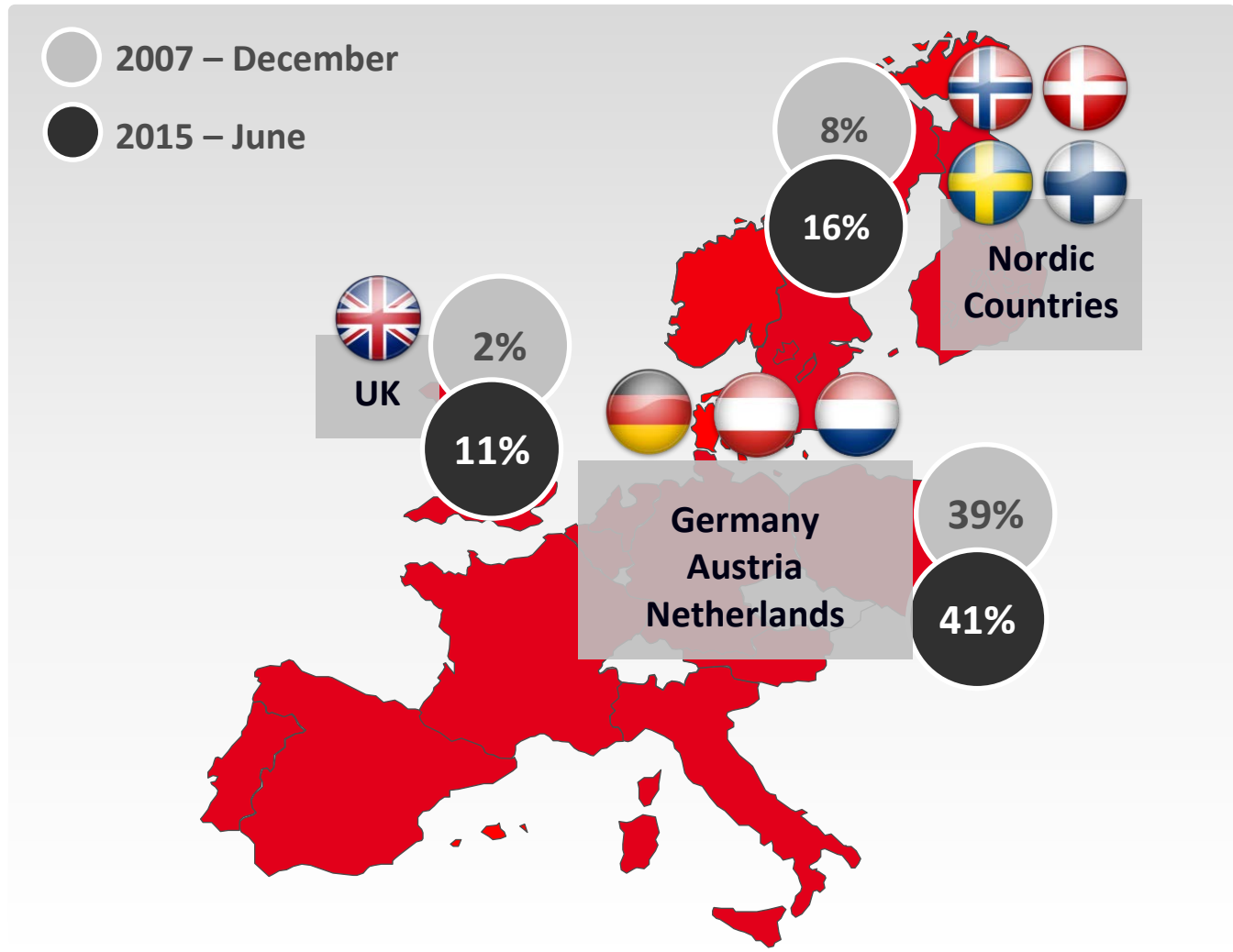
Diversification by geographies

(Jun'15)



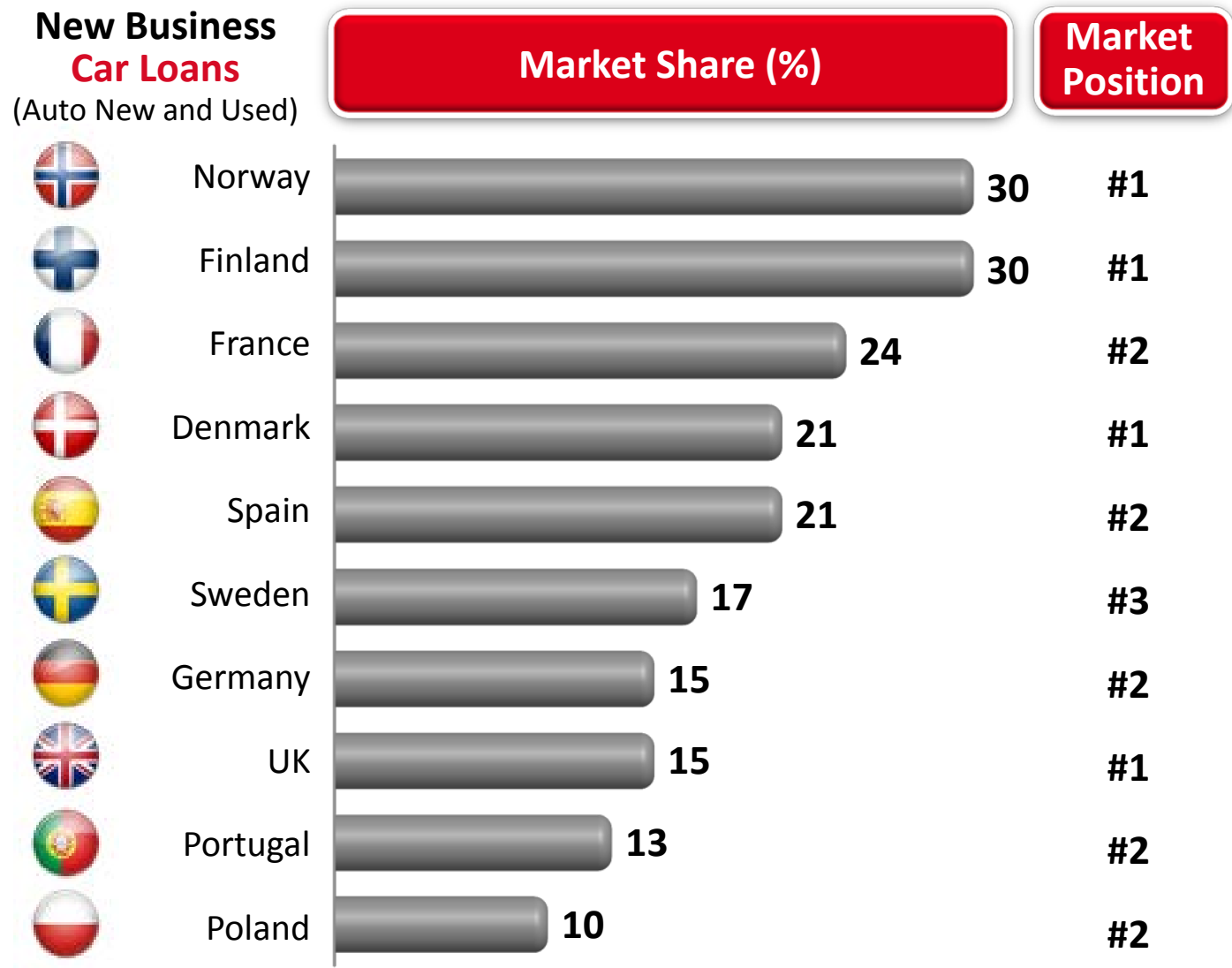
Management Control Perimeter (includes SC UK). Loan Portfolio €81bn. Loan portfolio under SCF management criteria
 Without SC UK, Loan Portfolio €73bn. SC UK allocated in Santander UK for accounting purposes
 Other geographies include Austria, Belgium, Canada, Netherlands, Hungary and Portugal

A Large exposure to highly rated European economies



(1) AAA & AA+ Countries: Germany, Austria, Netherlands, UK, Norway, Sweden, Denmark and Finland. Management Control Perimeter (includes SC UK)

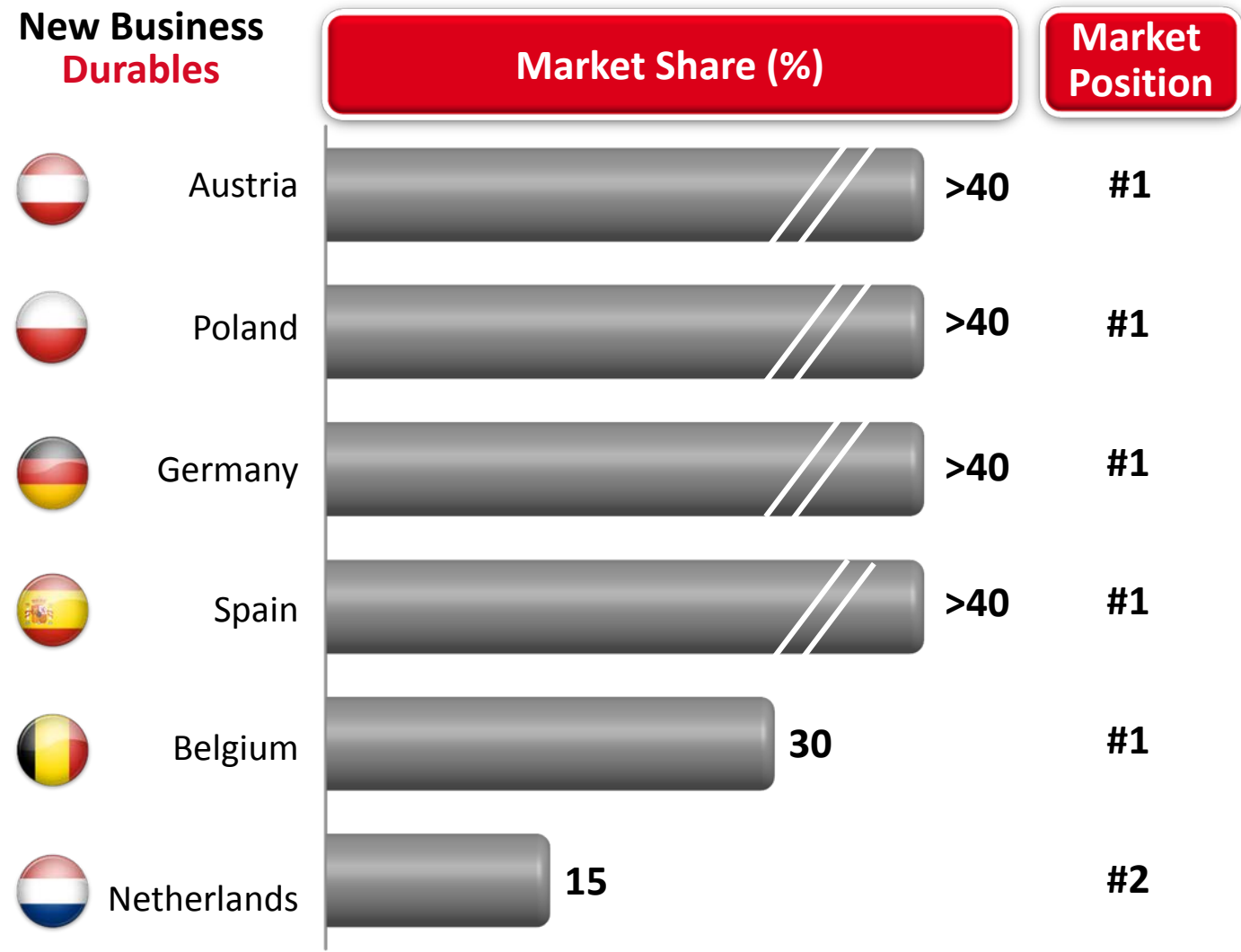
A Critical mass and leadership in auto loans



Leading positions and critical mass in 10 core car financing markets

Data: March 2015. Source: Internal estimates (Germany, UK and Poland) and local associations (rest) France and UK new perimeter February 2015

A Strong foothold and leadership in durables financing



Key lever for customer capturing and conversion activities

Data: March 2015. Source: Internal estimates (Austria, Belgium, Germany, Netherlands and Poland) and local associations (rest)

B Advanced car financing platform facilitating car manufacturer captive agreements

72 agreements with 13 manufacturers in 13 European countries

	MAN1	MAN2	MAN3	MAN4	MAN5	MAN6	MAN7	MAN8	MAN9	MAN10	MAN11	MAN12	MAN13
	🔥	🔥						🔥		🔥	🔥	🔥	
	🔥	🔥	🔥					🔥		🔥	🔥		🔥
													🔥
	🔥	🔥	🔥		🔥	🔥	🔥			🔥	🔥		
		🔥	🔥		🔥	🔥	🔥	🔥	🔥				
	🔥						🔥			🔥	🔥		
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		🔥		🔥				🔥		🔥	🔥	🔥	
				🔥						🔥	🔥	🔥	

Unique value proposition versus peers

- Presence in all European markets
- Critical mass and TOP 3 positions in all countries

Management Control Perimeter (includes SC UK)

B

High network of retailers with a successful customer conversion model

Strong foothold in Consumer Finance

- **TOP retail** chain agreements throughout Europe
- **>55,000** POS partners
- **4.3MM** consumer loans per year
- **TOP 3** in core geographies
- Source for new customers

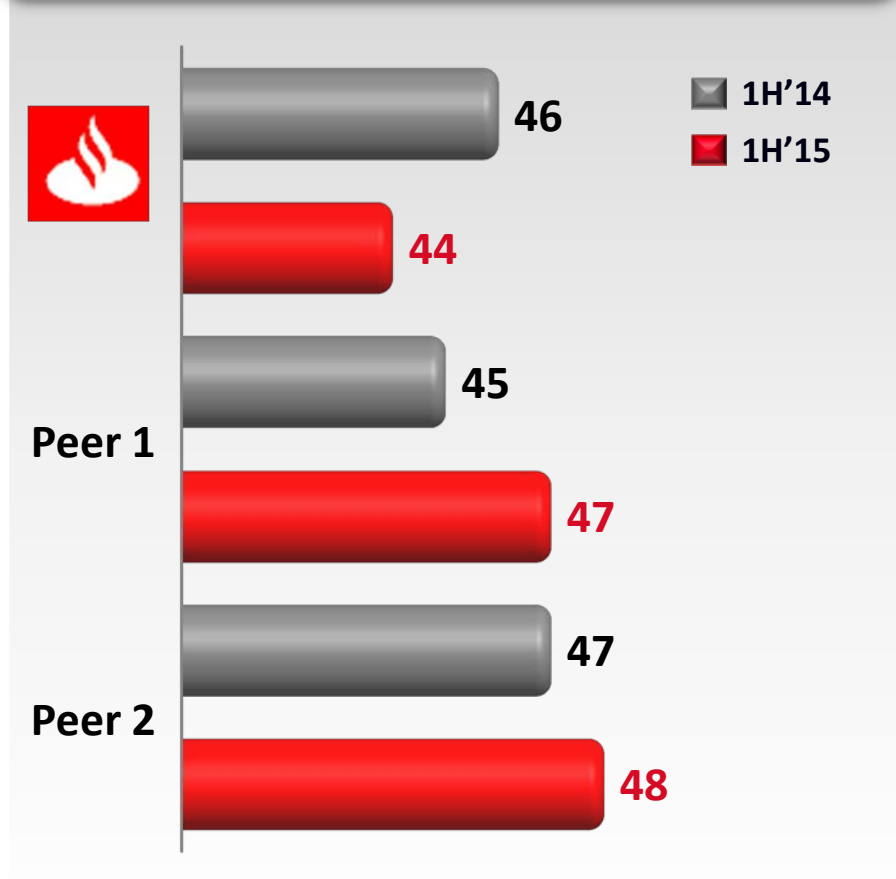
Conversion model

- Conversion from indirect to direct customers
- **>20MM** potential target customers
- Known customer profile leads to lower risk
- Lack of intermediaries or agents' fees yield higher returns
- Commercial capability allows pushing most profitable products to end customer

Consumer Finance: Durable financing, Personal loans and Credit Cards

C One of the best efficiency ratios in the industry, with proven capabilities to make the most of integrations

Cost to Income pan-European peers



2008



- Germany
- Austria
- Benelux

2014 ...



- Norway
- Sweden
- Denmark

2009



- UK
- Austria
- Germany
- Finland

2010



- Poland

2011



- Germany

2014



- Spain

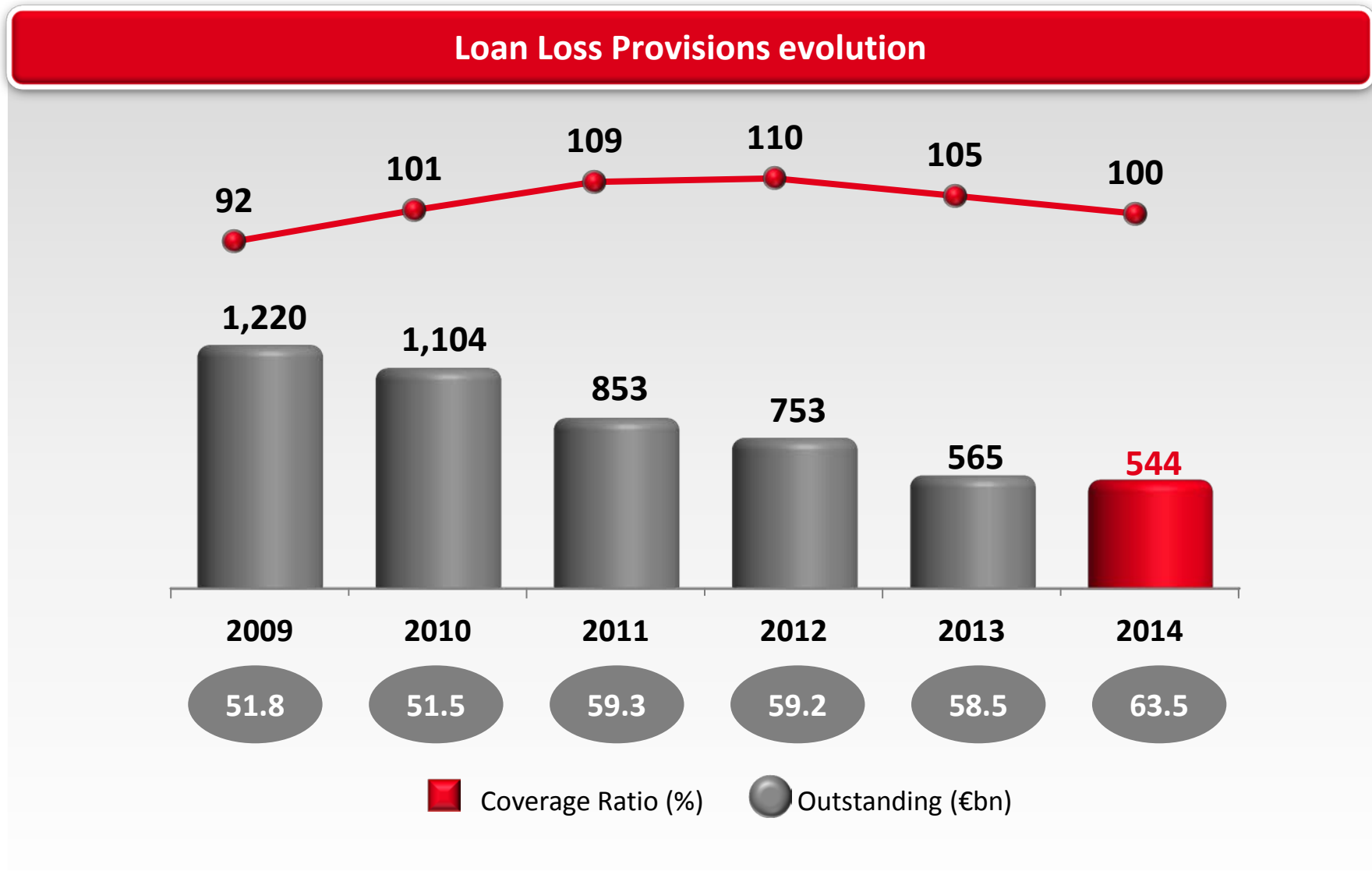
2015 ...



- France
- Germany
- UK
- Italy
- Spain
- Poland
- Portugal
- Belgium
- Austria
- Netherlands
- Switzerland

Peers: BNP Personal Finance, CREDIT AGRICOLE Consumer Credit. Source: Quarterly reports SCF without SC UK, which is allocated in Santander UK for accounting purposes

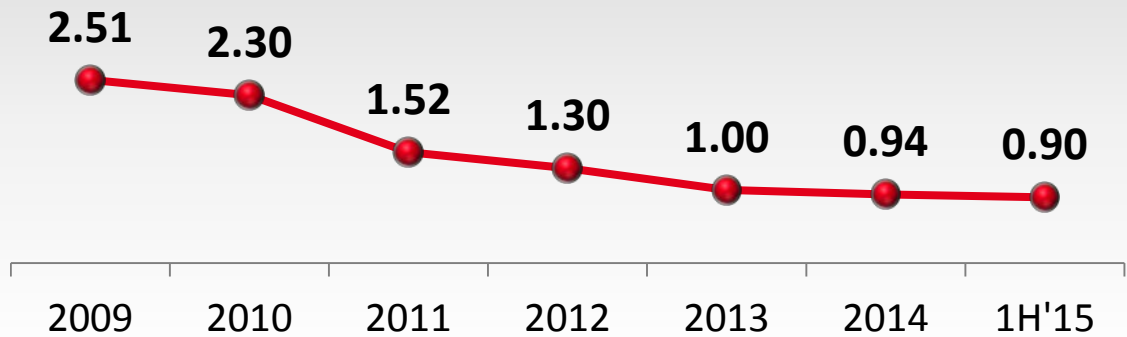
D Low LLPs thanks to strong risk capabilities and powerful collections platform



SCF without SC UK, which is allocated in Santander UK for accounting purposes

D Healthy risk metrics through the economic cycle

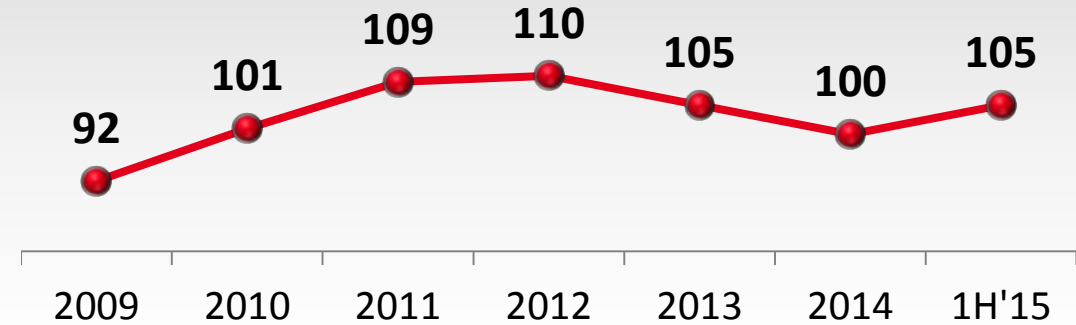
LLPs % ANEAs¹ (%)



NPL Ratio (%)



Coverage Ratio (%)

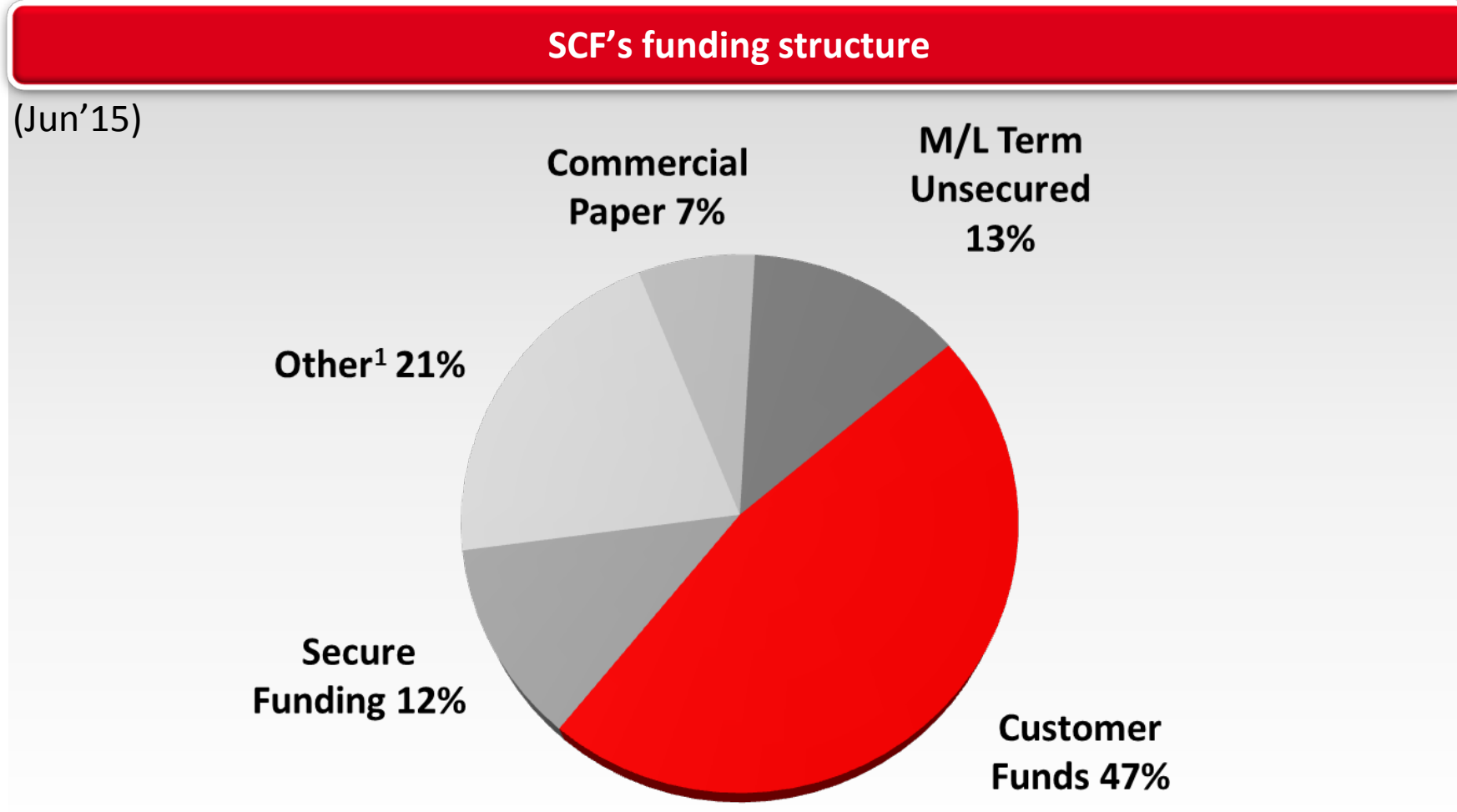


SCF without SC UK, which is allocated in Santander UK for accounting purposes

(1) Loan Loss Provisions / Average Net Earning Assets (annualized in 1H'15)

(2) Impact of GE Nordics portfolio acquisition

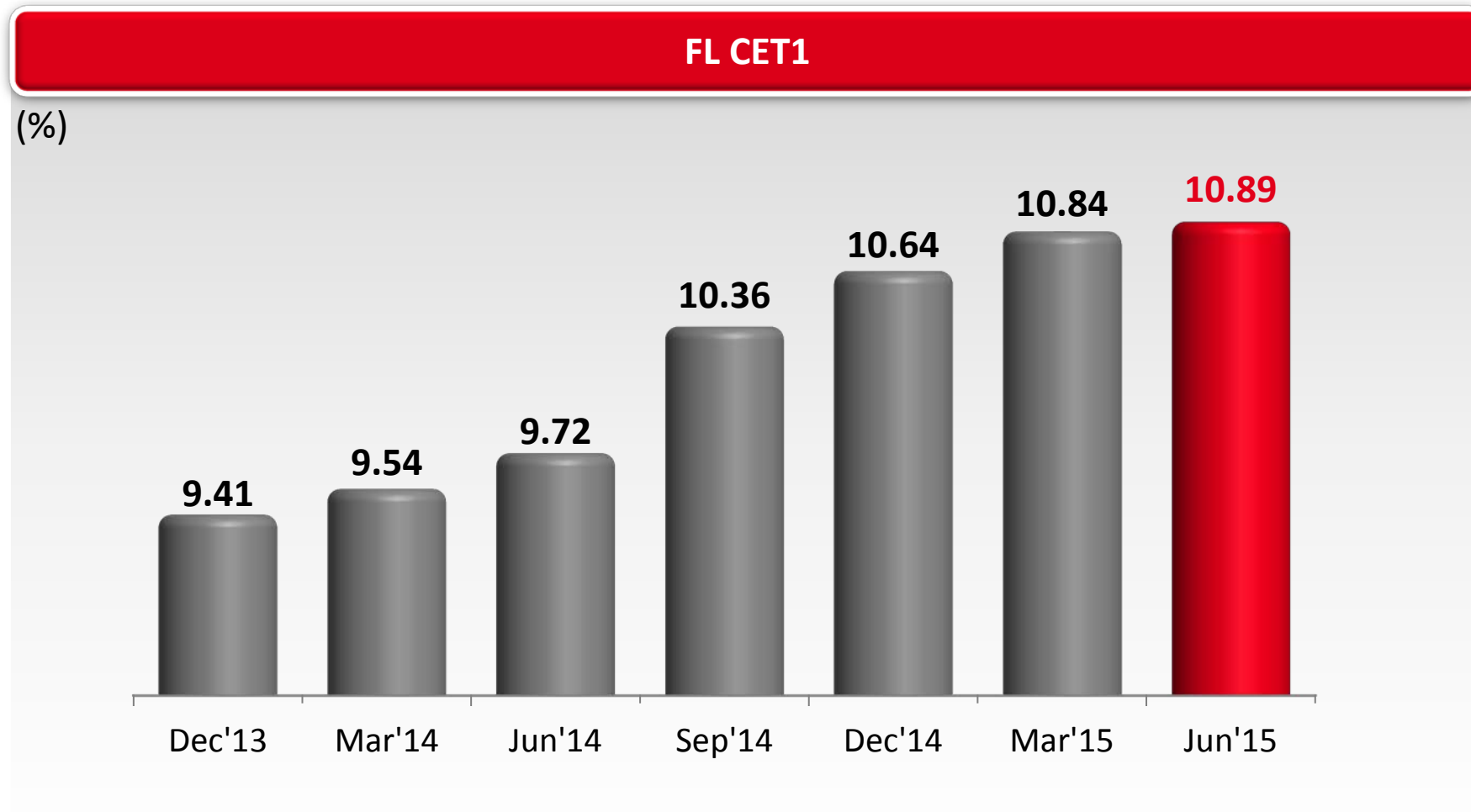
E Funding diversification



SCF without SC UK, which is allocated in Santander UK for accounting purposes

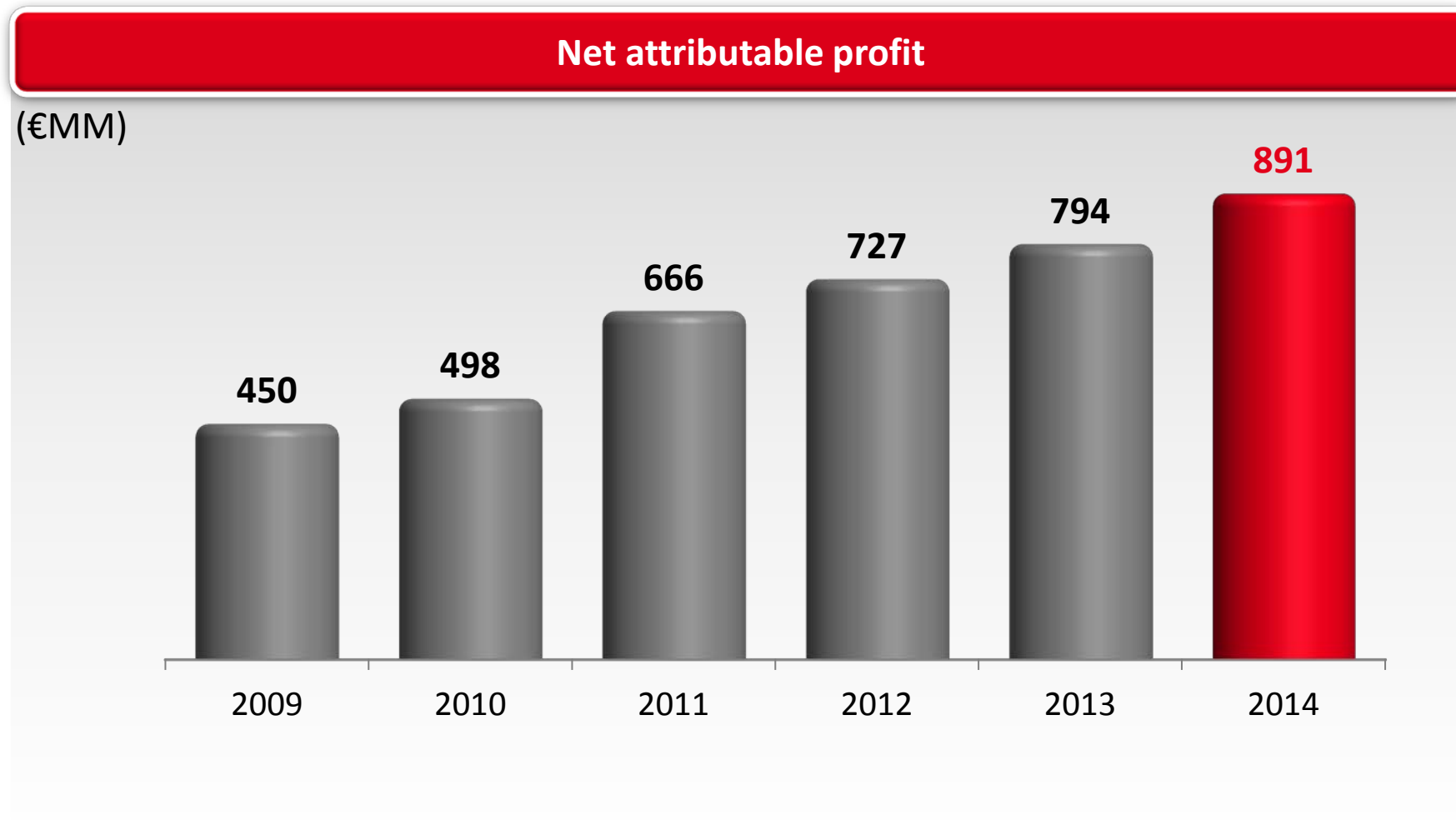
(1) Other: ECB and Interbank

E Solid capital levels



Note: legal perimeter

SCF has delivered recurrent profits despite the economic downturn



SCF without SC UK, which is allocated in Santander UK for accounting purposes
Pre-restated data

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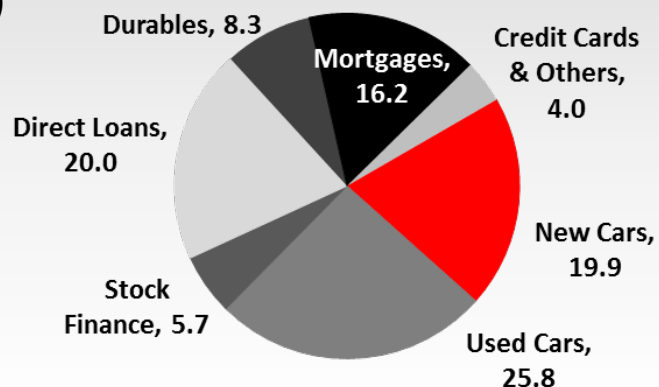
4 Targets

SCB Germany is the leader of the biggest Euro consumer finance industry



Portfolio breakdown

(Jun'15, %)



Key figures

(Jun'15)

Loans ² :	€30.7bn
Deposits:	€24.0bn
Customers:	6.2MM
Partners:	26,001
Branches ³ :	329
Employees:	5,636

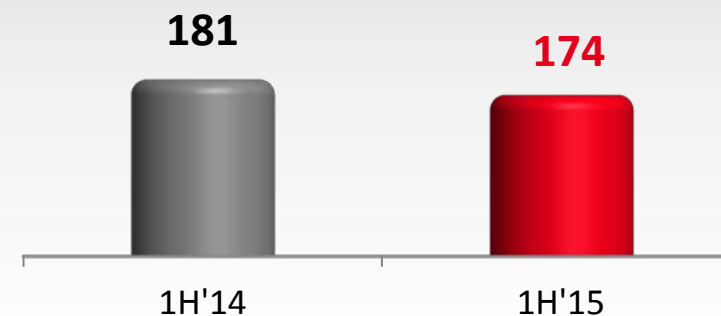
Leader in core products¹

(Mar'15)

- **Nr. 1** Consumer finance player (14%)
 - **Nr. 1** in Durables financing (>40%)
 - **Nr. 2** in Auto financing (15%)
 - **Nr. 2** in Direct Loans (10%)
 - **Nr. 3** in Credit Cards (4%)

PAT

(€MM)



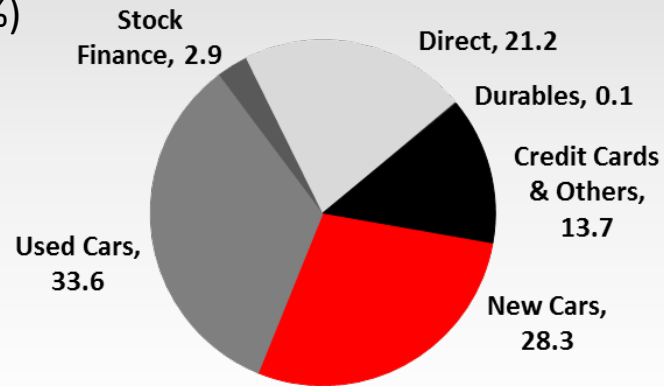
(1) Source: Bankenfachverband for instalment loans market share. Rest internal estimates (2) Loan portfolio under SCF management criteria (3) Including mini-branches

SCB Nordics is a strong franchise, being the leader of the region



Portfolio breakdown

(Jun'15, %)



Key figures

(Jun'15)

- Loans²: €12.8bn
- Deposits: €3.5bn
- Customers: 1.1MM
- Partners: 4,412
- Employees: 1,515

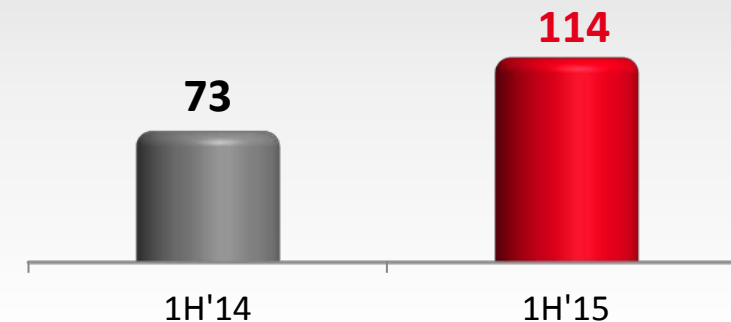
Leader in core products¹

(Mar'15)

- Nr. 1** in consumer finance Nordic Region
- Nr. 1** in Norway auto finance (30%)
- Nr. 1** in Finland auto finance (30%)
- Nr. 1** in Denmark auto finance (21%)
- Nr. 3** in Sweden auto finance (17%)

PAT

(€MM)



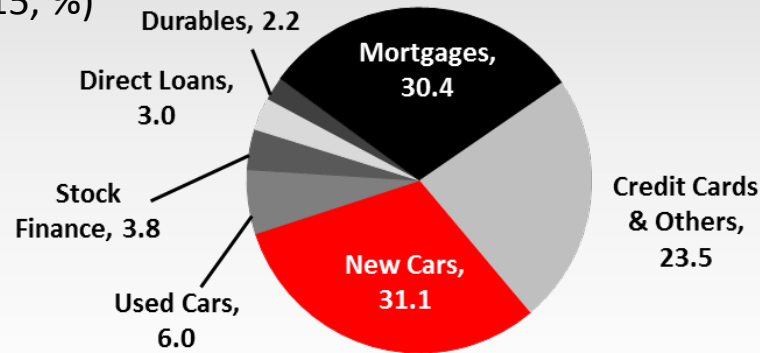
(1) Source: local associations. Market share new business (2) Loan portfolio under SCF management criteria

SC Spain is the undisputable leader of the consumer finance industry



Portfolio breakdown

(Jun'15, %)



Key figures

(Jun'15)

- Loans²: €8.3bn
- Customers: 5.9MM
- Partners: 45,365
- Branches: 64
- Employees: 1,591

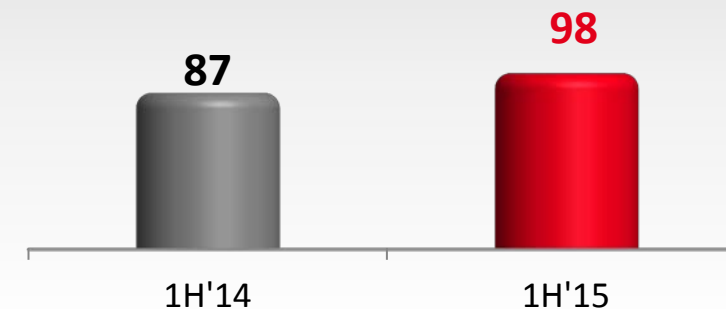
Leader in core products¹

(Mar'15)

- **Nr. 1** in Consumer Credit (41%)
 - **Nr. 1** in Credit Cards (59%)
 - **Nr. 1** in Durables Financing (42%)
 - **Nr. 2** in Auto Financing (21%)
 - **Nr. 3** in Direct Loans (13%)

PAT

(€MM)



(1) Source: ASNEF. Market Share New Business. Consumer Credit: auto finance + consumer loans (Durables, Direct Loans and Credit Cards) (2) Loan portfolio under management criteria

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4 **Targets**

After a successful business expansion and consolidation, SCF is well positioned to continue growing profitably in a positive macro environment...

2002

2007

2008

2013

2014 ...

European foothold Global Brand

Transformation and Expansion

Profitable growth and Leadership

- AKB – Germany
- Finconsum – Italy
- Elcon & Bankia – Norway
- PTF – Poland
- Abfin – Netherlands
- SC UK (start-up)
- Unifin – Italy
- Interbanco – Portugal
- Finland (start-up)
- Denmark (start-up)

Build position
in a booming
market

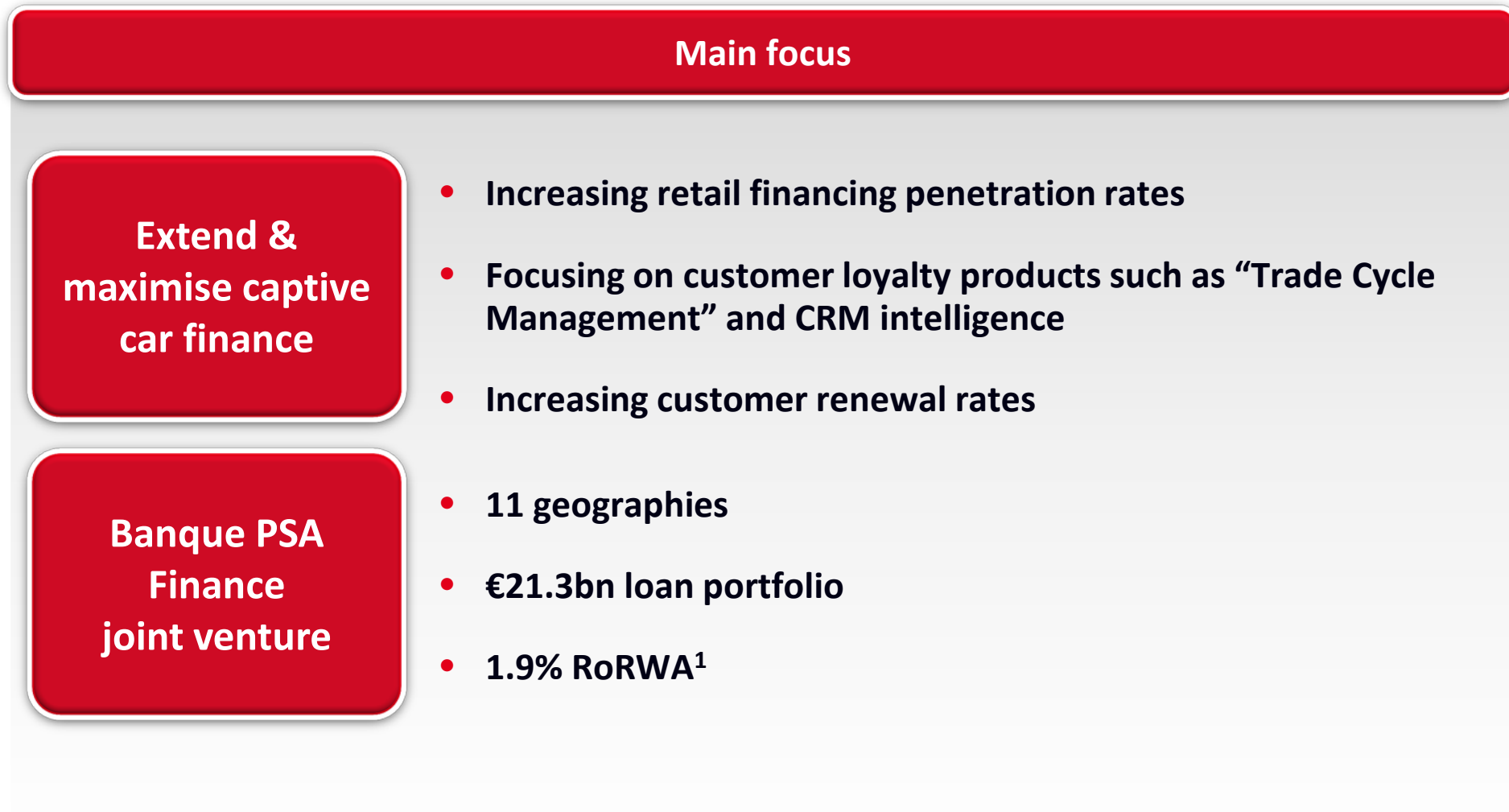
- RBS' European consumer finance business unit
- GE's European consumer finance business unit
- AIG's business unit in Poland
- SEB's retail business in Germany

Consolidate
and capture
opportunities

- FECI in Spain and Portugal
- GE Money in Sweden, Norway and Denmark
- Banque PSA Finance in 11 European countries (new markets: France and Switzerland)

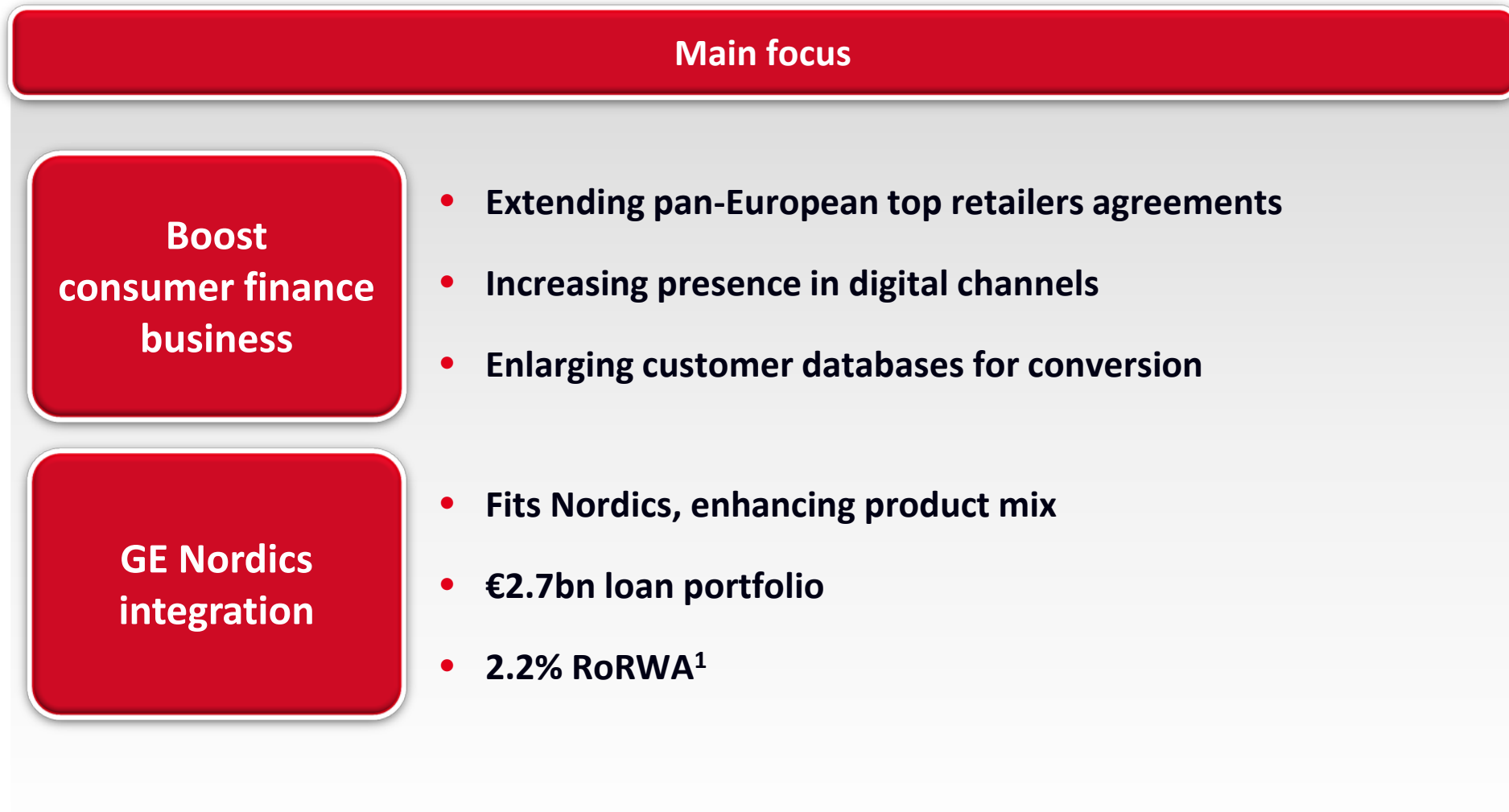
Strong leadership

...with clear management priorities, in the car financing business...



(1) RoRWA: Profit After Taxes / Average Risk Weighted Assets Note: Management Control Perimeter (includes SC UK)

...and the consumer loans business



(1) RoRWA: Profit After Taxes / Average Risk Weighted Assets. SC Nordics including GE 2015(e)

2018 SCF targets

		1H'15	2018
People	Group targets		
Customers	Retail loyal customers ¹ (MM)	16.9	>18
	Loan portfolio growth ²	+20%	+10%
	Dealer satisfaction ³	>80%	>80%
Shareholders	RoTE	12.8%	14-15%
	FL CET1 ⁽⁴⁾	10.9%	~11%
	NPL Ratio	4.25%	~4.0%
	C/I ratio	44%	~42%
Communities	Group targets		

(1) Customers with an active contract

(2) 1H'15 loan portfolio variation versus prior period (1H'15 = variation versus 1H'14). 2018 variation = % CAGR versus 2014

(3) Annual SCF satisfaction survey to active auto POS partners in all countries (management control perimeter). % = dealers with scores of 8 out of 10 or higher. Rolling weighted average 5 years

(4) Legal perimeter

Note: SCF without SC UK, which is allocated in Santander UK for accounting purposes

Transparent performance metrics for 2016

Key metric	1H'15	2016	Improvement
Active customers (MM) ¹	16.9	17.4	+0.5
Higher loan portfolio growth than peers	✓	✓	-
Growth of loan portfolio ²	20%	15%	-
Dealer satisfaction ³	>80%	>80%	-

(1) Customers with an active contract

(2) 1H'15 loan portfolio variation versus prior period (1H'15 = variation versus 1H'14). 2016 variation = % CAGR versus 2014

(3) Annual SCF satisfaction survey to active auto POS partners in all countries (management control perimeter). % = dealers with scores of 8 out of 10 or higher. Rolling weighted average 5 years SCF without SC UK, which is allocated in Santander UK for accounting purposes

Key takeaways



Proven business model through the cycles



Recurrent profit generation



Favourable market outlook



Key projects and **clear management priorities**



High profitability and **value creation**



Simple | Personal | Fair