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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.

Our aim as Santander Global Corporate Banking

To be one of the **best banks for corporate and institutional customers**, by supporting their needs throughout their lifecycle and **internationalisation**, **creating long-term relationships** across the different **countries where the Group has presence**

Agenda

1 Overview

2 Track record

3 Targets

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Executive summary

A customer focused group, largely dedicated to corporate customers

- Closed list of **c.1,800 customers worldwide** (62% Corporates)
- Very **low cost to income** vs the industry through centralisation
- Full **range** of Corporate **products and services**
- **Selective approach** to institutional customers

Leveraging the breadth of Santander's network

- Bringing our customers a **strong local expertise**
- **Accompanying** them in all their cross border needs
- Distributing through our strong **Retail and Commercial networks**

A sound credit and markets risk model

- A very **diversified portfolio** (countries, industries...)
- Very low VAR and Level III assets

A historically profitable, non volatile and resilient business

- Strong and very **resilient results** with low volatility
- (CAGR 2006-2014 of +9% vs. -2% for the industry)

Fully adapted to the new regulatory framework

- A **simple and customer oriented model** that makes it easier to comply with the new regulatory framework

Our business model is based on three pillars

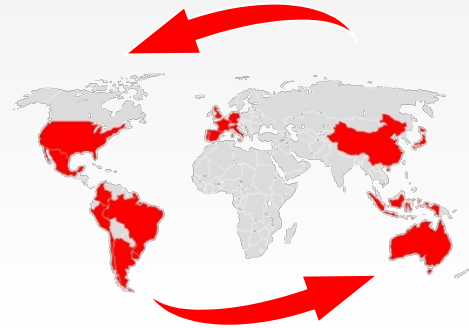
Focusing on corporate customer

- We offer to our corporate customers a **full product and services catalogue**
- We position ourselves as a **niche provider** for institutional investors



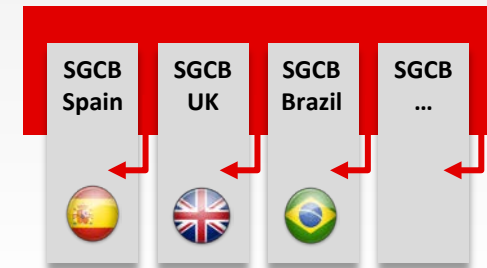
Serving with a holistic view

- Fully **integrated coverage** of every customer across geographies
- **Global insight** and product capabilities
- Shared infrastructure and **single risk view** (internal rating and pre classification)
- **Multi currency** offering



Leveraging on our local Banks

- Strong **local insight** as a differentiating factor
- Deep retail distribution capabilities through **local networks**
- Access to **local currency funding**
- **Economies of scale** through the usage of local infrastructure / systems

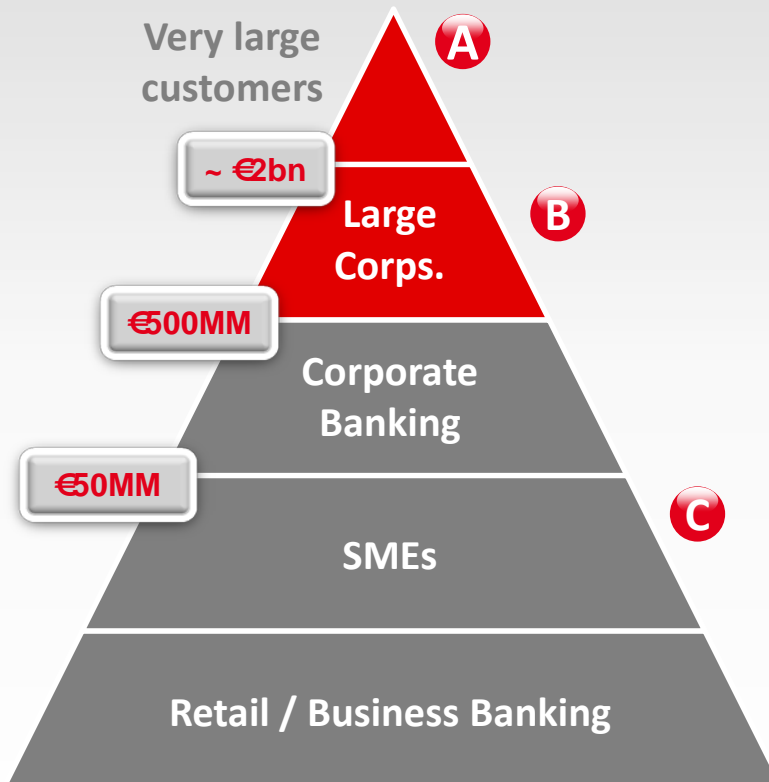


A Customer centric and fully integrated business model which leverages on Santander Group's wide network of local banks, adding a global layer of international reach and product expertise

We serve three segments of customers, directly or through the network

Customers

(Company size by annual turnover)



- A. **Very Large Customers** (c.1,500) serviced directly by SGCB
 - Corporates (~56%) and Financial Sponsors (~23%)
 - FIG & Public Sector (~21%)
- B. **Large Corporates¹** (c.250)
 - Covered directly by SGCB in the UK and the US
 - Through the Commercial Banking Division in the other geographies
- C. **Retail and Corporate customers**
 - SGCB acts as provider of treasury and risk management products (Currency or Interest Rate hedges mainly)

Products

- **Global Transaction Services:** Transactional services and trade finance
- **Financial Solutions and Advisory (FSA):** Credit and Corporate Solutions
- **Market Sales:** Sales of Fixed Income and Currency products
- **Market Making:** Equity derivatives, FX products and fixed income, interest rate derivatives and Short-Term Markets
- **Cash Equity & ETD:** Intermediation in equity secondary markets and distribution in primary Execution; clearing trading activities for customers

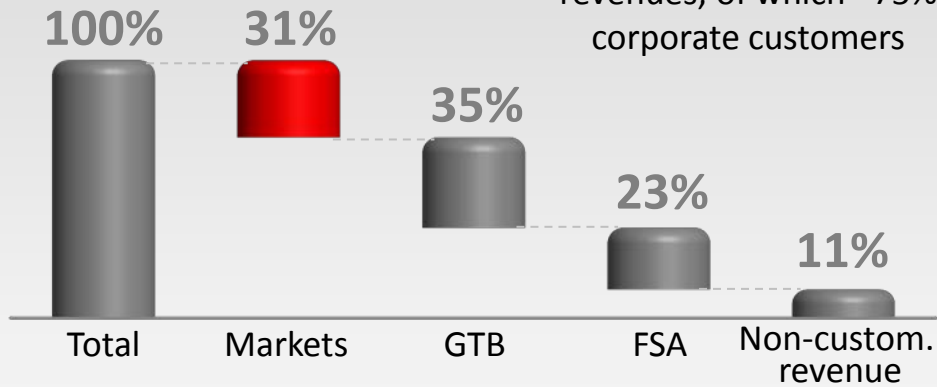
(1) turnover between €500MM and €2bn

Our customer centric business model gives a more diversified revenue mix with solid risk management and strong portfolio quality with good diversification

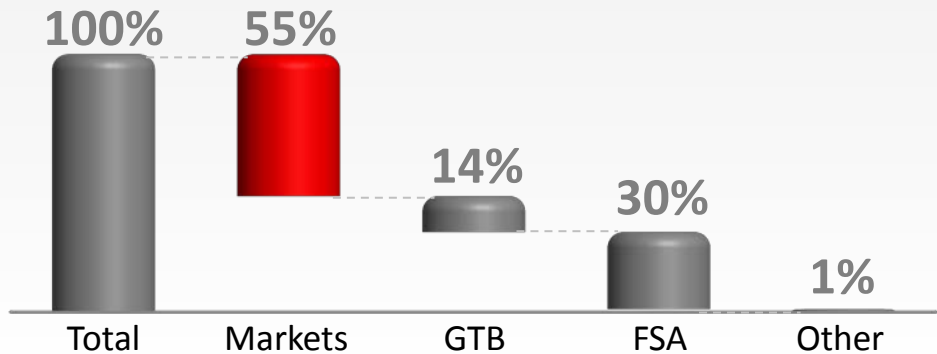
We are less dependent on markets and, within markets, 2/3 of revenues are sales related

SGCB

81% direct customer revenues, of which ~75% corporate customers

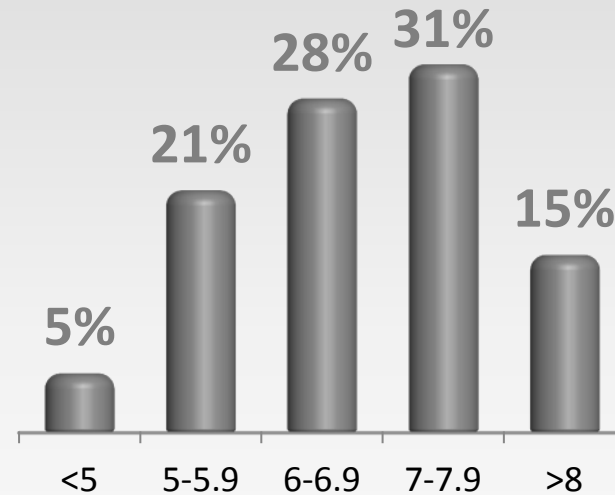


Peers¹



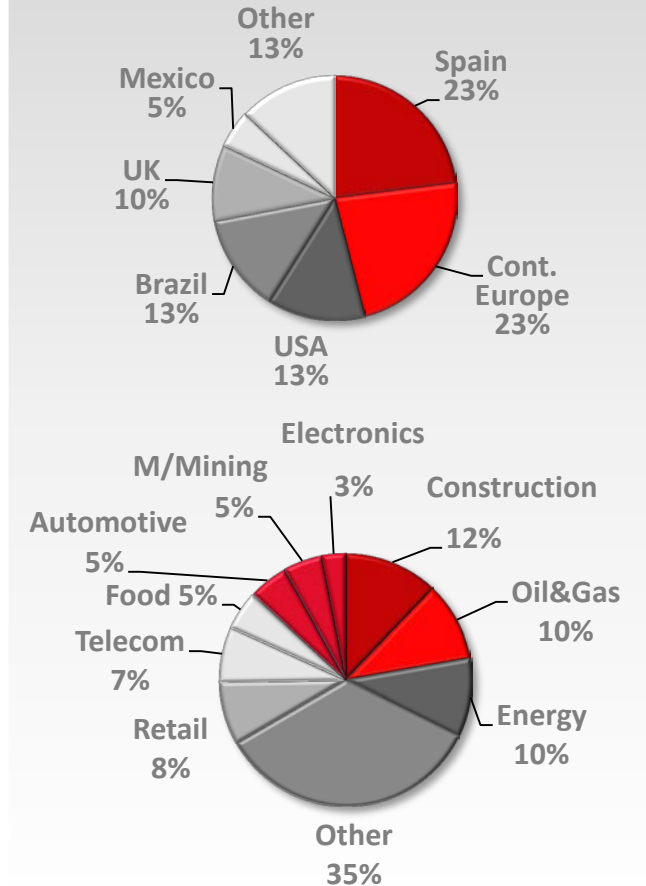
Note: Dec'14 (1) GS, BofAML, Citi, JPM, DB, MS, CS, UBS, HSBC, RBS, SG, RBC and NAX

Credit quality of SGCB portfolio



- Average rating 6.7 (BBB+/BBB S&P)
- €120bn exposure
- RoRAC of 18%
- NPL ratio <3

Total Corporate exposure by country and by sector

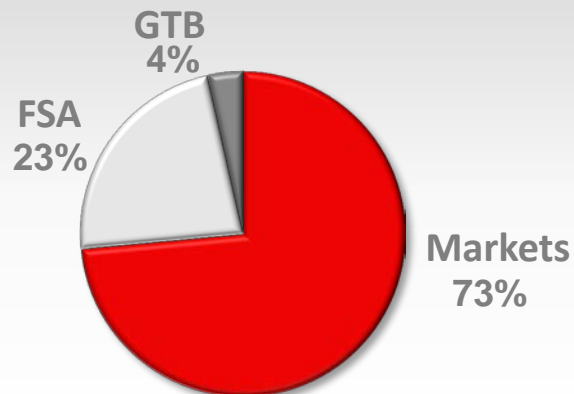


Leveraging the breadth of our Retail and Commercial Banking networks, through a centralised product factory

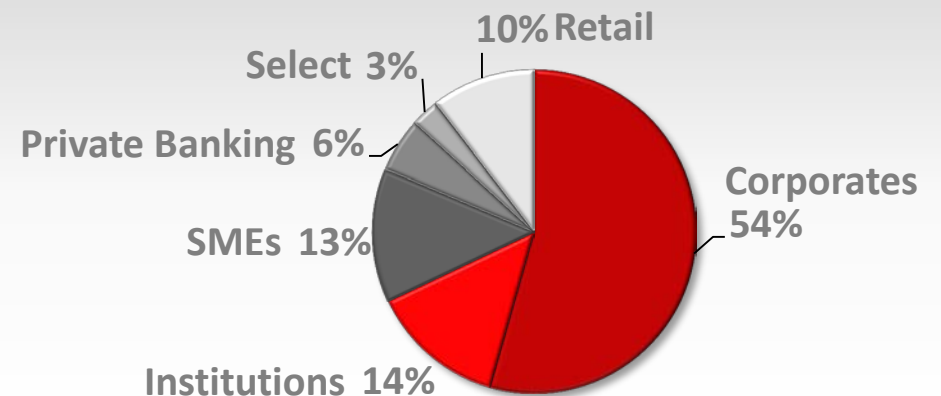
- **SGCB is the Group Product Factory** for Retail Structured Products, Specialised Trade Finance, Risk Management Solutions...
- By centralising its resources, the Group is able to bring to all its customers **stronger product expertise** and better **knowledge of financial markets**, whilst maintaining a low cost to income



Split by product



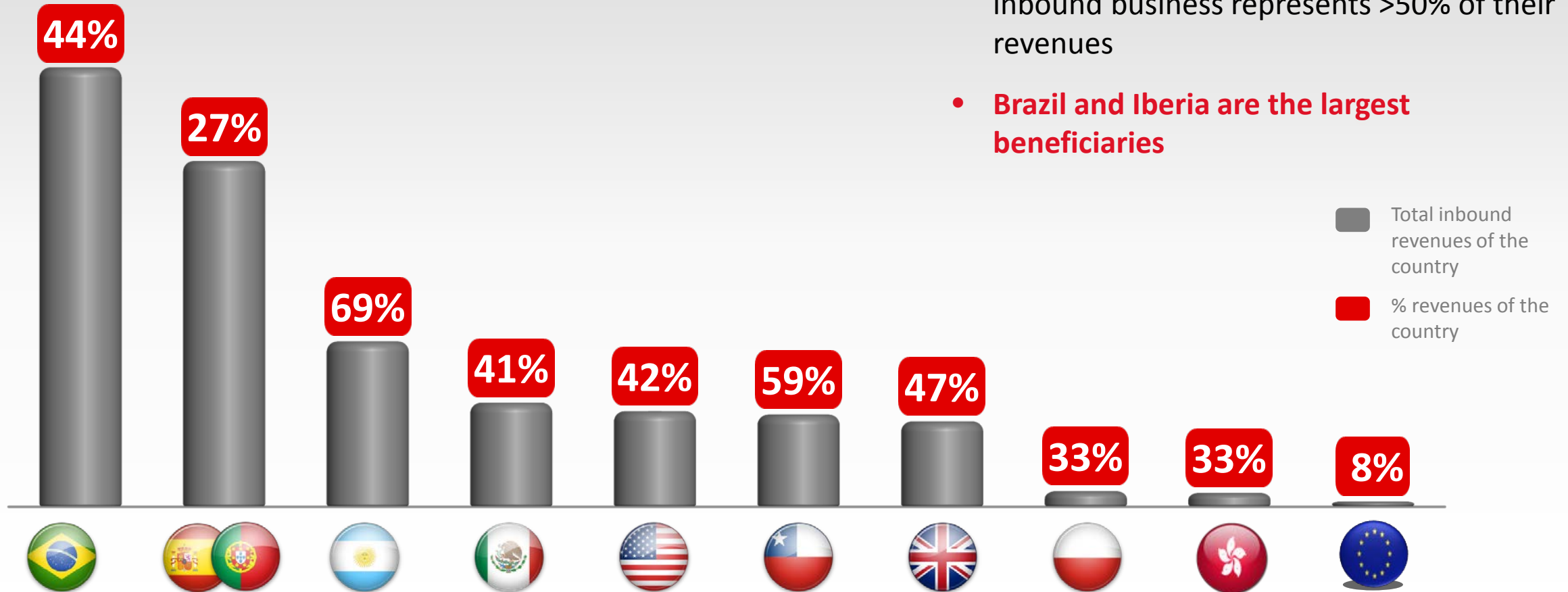
Split by segment



€1,400MM of business is created yearly through connectivity

Inbound revenues

- In relative terms, in **Argentina and Chile** inbound business represents >50% of their revenues
- **Brazil and Iberia** are the largest beneficiaries



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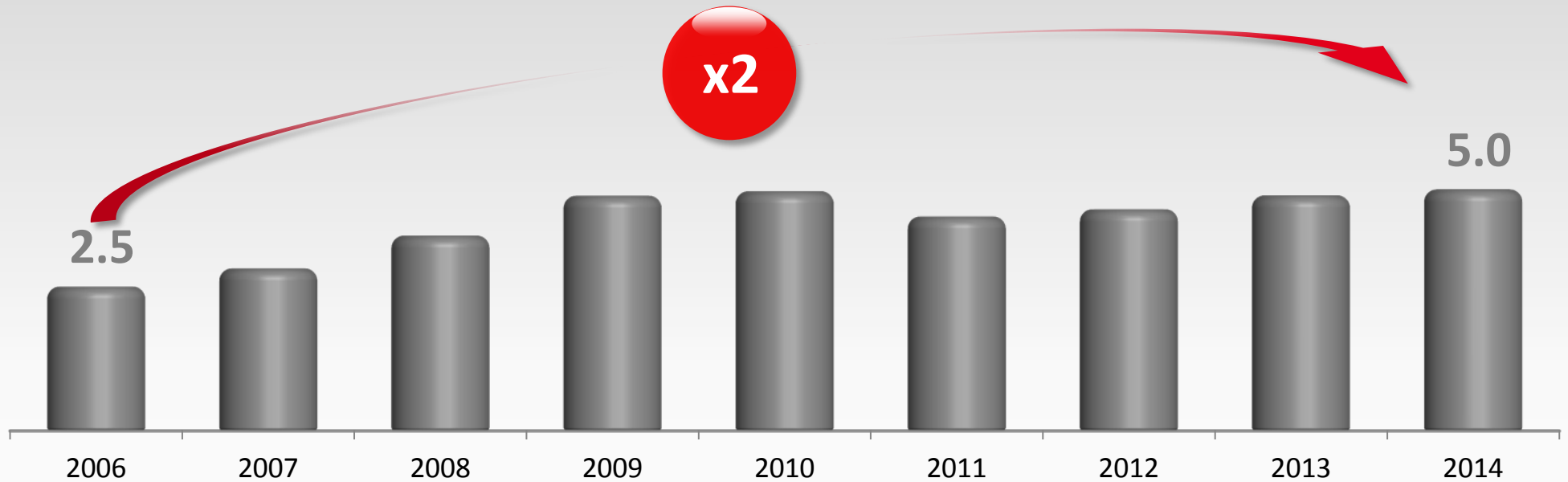
Strong track record over time

SGCB Performance

(Revenue, €bn)

Rev. CAGR '06-'14

SGCB +9%
Industry -2%



C/I	30%	36%
Loans	44.8	86.6
Deposits	34.6	84.5

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What are the main challenges ahead?

Key challenges

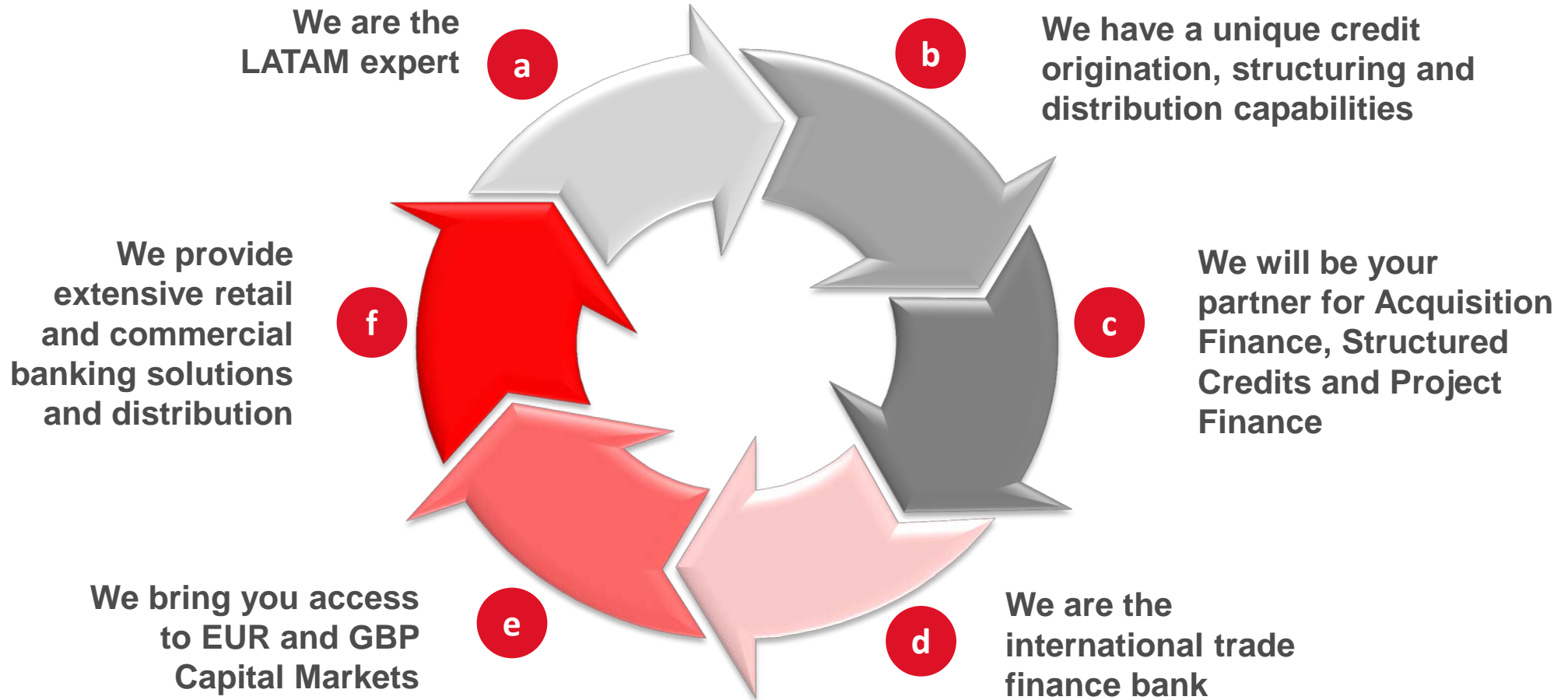
- Ongoing **excess liquidity** and **interest rates at minimum levels**
- **Future economic** growth in **LATAM & Europe**
- **Impacts of regulation** that are pending definition
- Capital Markets **liquidity** and behaviour (once in a life time market movements)

Key actions

- Focus our resources and efforts on six areas in which we have a clear **competitive advantage**
- Further leverage our strong origination capabilities to increase our **“Originate to Distribute”** revenues
- Continue to **enhance our fee based** businesses through selective initiatives
- Optimise capital usage through strict and centralised **monitoring**
- Maintain strict Capital Markets **risk discipline** and customer focused approach
- Optimise our **IT/BO costs**, through holistic approach of needs

We will focus resources and efforts on six elements of our value propositions

Our value proposition



Those six foundations translate into concrete priorities for the coming years

Foundations

Main priorities

a LATAM expert

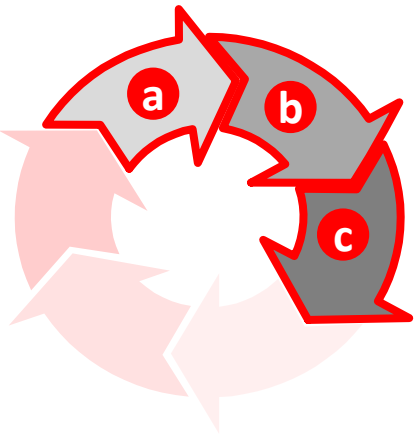
- Leader cross border M&A
- Access to every LATAM underlying
- Become a reference provider of **Global Cash Management in the Americas**
- Boost our presence in the **Andean Region**
- **LATAM desk integration**

b A unique credit origination, structuring and distribution capabilities

- Enhance our **Credit Warehousing and Distribution capabilities**
- Ensure long-term funding and optimise capital, returns and credit limits consumption
- Undergo a cultural **shift to a more OTD model**

c Partner for Acquisition Finance, Structured Credits & PF

- **Unique Project Finance expertise** with worldwide leadership
- **Best-in-class Acquisition Finance products**



Those six foundations translate into concrete priorities for the coming years

Foundations

Main priorities

f

Extensive retail solutions and distribution

- Leveraging our **unique vast network of retail customers** and provide tailored solutions compliant with their risk tolerance and knowledge

e

Access to EUR and GBP Capital Markets

- Continue building up our **DCM product capabilities**
- **Regroup our markets activity**
- Shift our **govies business** into a more balanced **flow business** focusing on core geographies

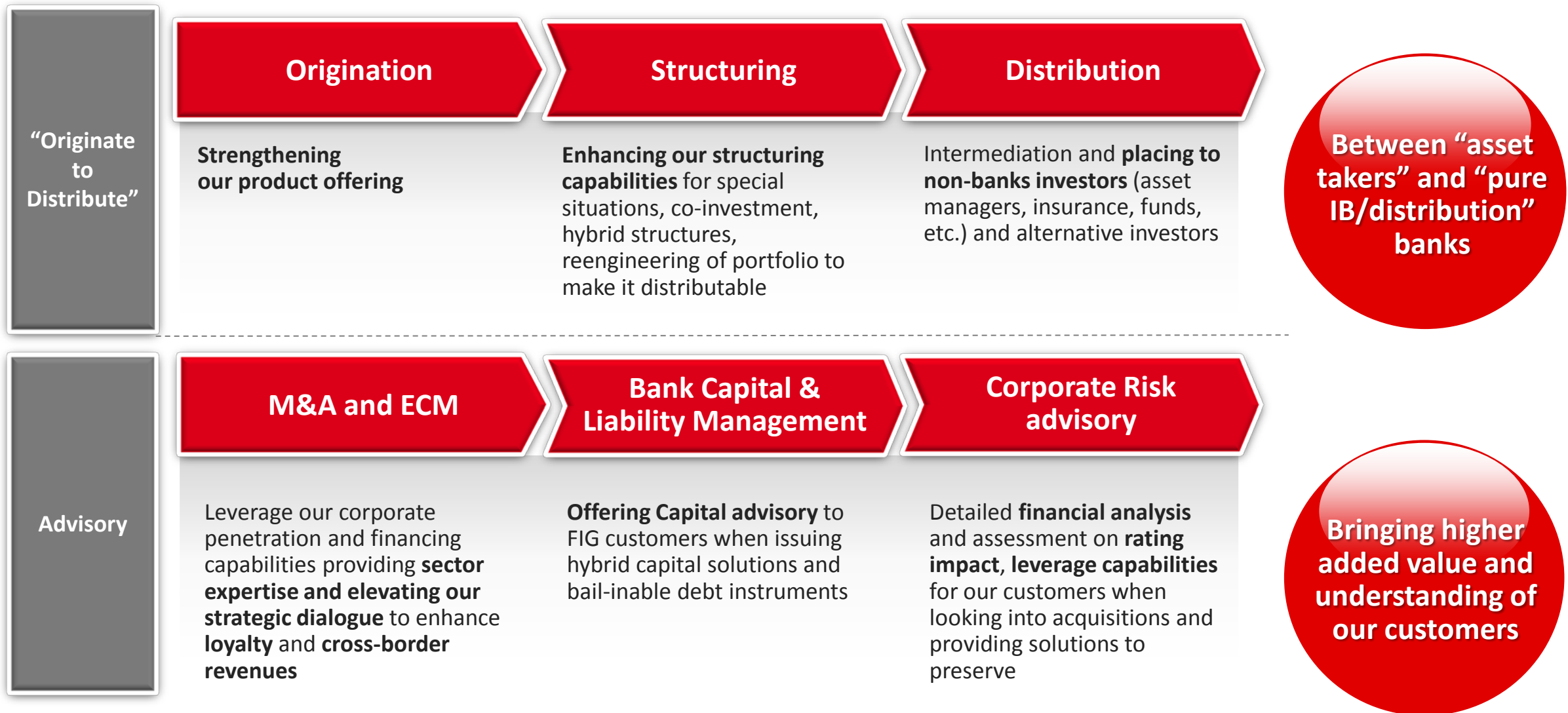
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The international trade finance bank

- **Trade solutions and mobilisation**
- New **structured trade product development**
- Maximise flows and funding through **Correspondent Banking**
- Finalise product development in certain geographies (Asia, CE & Mex)



We will shift gradually towards a higher fee driven business



We will focus on improving capital efficiency

Capital usage is already fully embedded in our processes

Additional initiatives to reduce capital consumption

- Every SGCB **customer** has its **RoRWA monitored**, with specific business plan to enhance it when needed
- Every single **transaction** that does not pass our **RoRWA** hurdle has to be approved at a local or central level
- Innovative product development to **minimise the capital usage** of the products we offer to our customers
- Balance sheet management to reduce **capital consumption**
- Development of **fee businesses** and originate to distribute
- Further enhancement of calculation **methodology and modelling**

Continue enhancing our customer centric approach

Customer centric approach

Stronger connectivity between geographies

Enhanced coverage of some customers through portfolio penetration

Franchise development in some geographies

Stronger coverage and sector knowledge with additional Senior Bankers



Customer loyalty

Key takeaways



Keeping its **simple and corporate customer oriented model**, SGCB naturally **fits within the upcoming regulatory framework in construction**



Focusing resources on six elements of our value proposition, SGCB will offer true **added value services to its customers and differentiate from its peers**



Bringing our customers a **strong local and cross-border expertise** leveraging on the breadth of the Santander network



Permanently monitoring risks, capital management and liquidity, SGCB will continue to enhance Santander customer franchise and results in a **Simple | Personal | Fair** way



Simple | Personal | Fair