

Banco Santander's Strengths

January 2011

4 SOLID PILLARS

Results

Geographic
Diversification



Balance
Sheet

Business
Model

& **10** STRENGTHS

Results

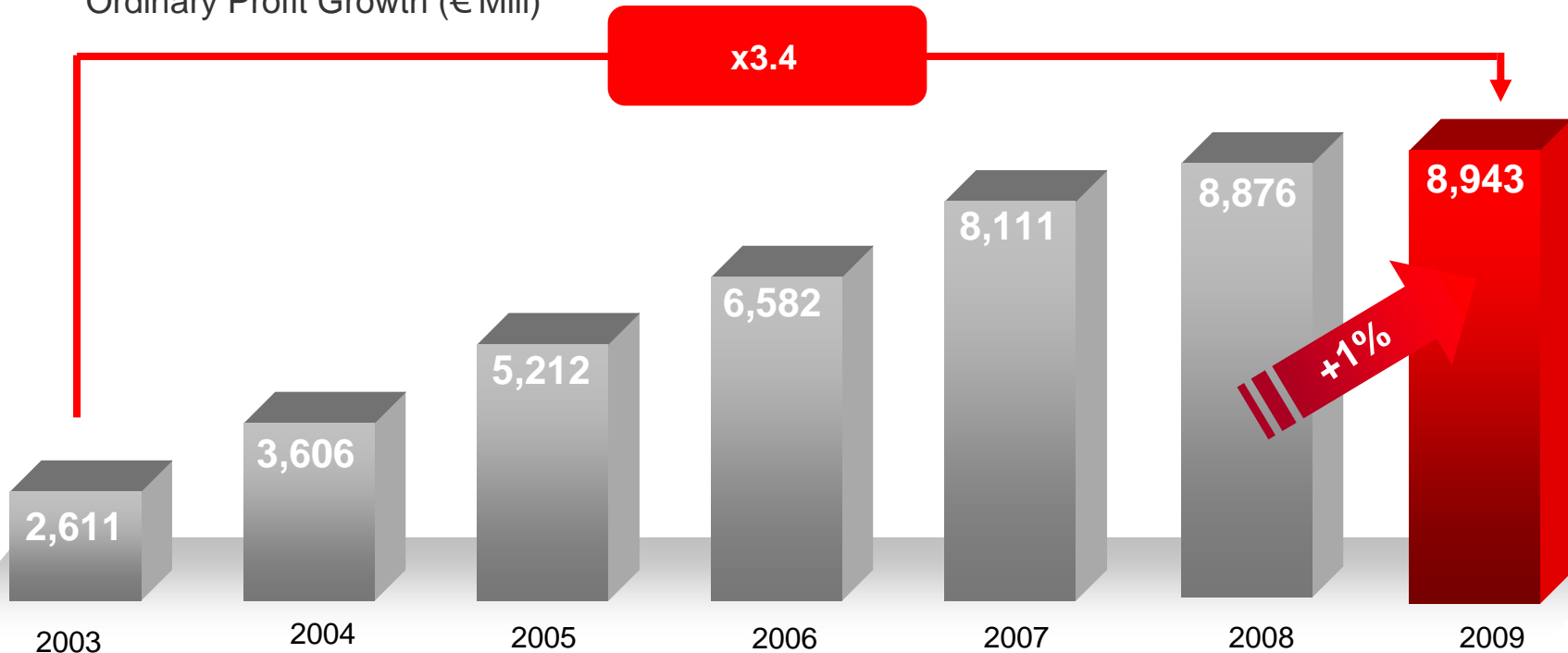
Banco Santander's Strengths



Strength 1: Profit

A background of growth... even in difficult times

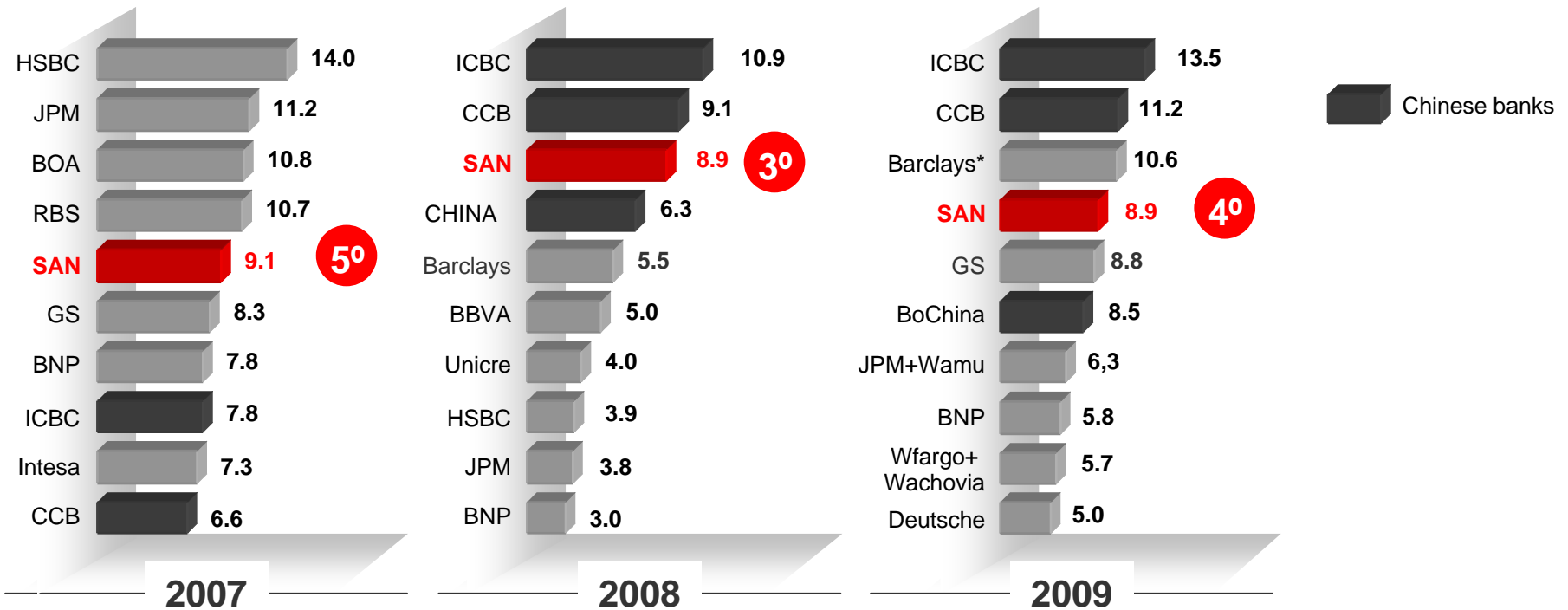
Ordinary Profit Growth (€ Mill)



EUR 6,080 million attributable profit in 9M'10



Among the top five in the world by profit in the last three years



Note. Profit attributed to ordinary shareholders. Data in thousands of millions of euros
 (*) In 2009 Barclays registered extraordinary profit of EUR 7,064 million for the sale of BGI (Barclays Global Investors)

Results

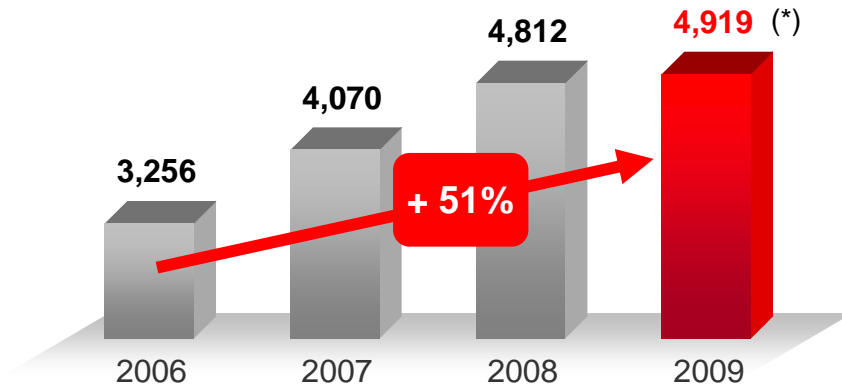
Banco Santander's Strengths



Strength 2: Dividends & Shareholders

Total dividend payout to shareholders

Millions of euros



(*) Cash + Santander Dividend

Santander is the international bank which paid out the most to its shareholders in 2009.

Total dividend pay-out maintained in 2010 at EUR 0.60 per share

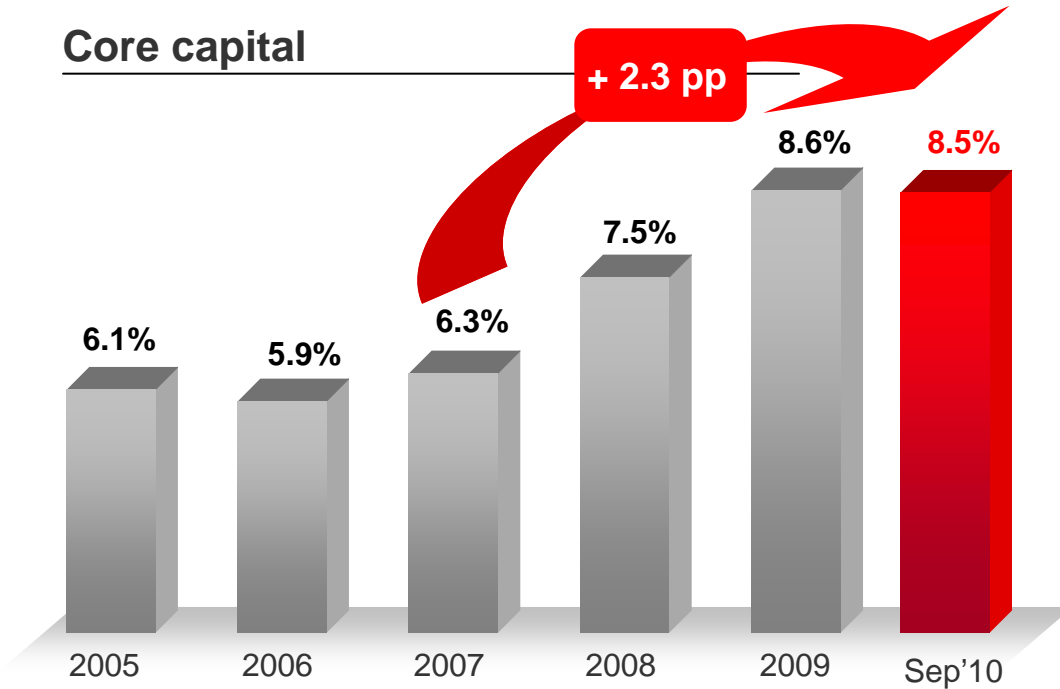


3.1 million shareholders 9M'10



Strength 3: Capital

Core capital



Note: 2007 and previous based on BIS I.

Santander is a solid, solvent bank, with a strong balance sheet, capable of consolidating without resorting to public handouts.

A solid starting point for BIS III



European leader in solvency and profitability according to stress tests

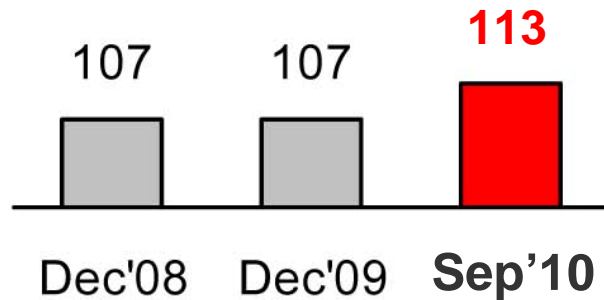


Strength 4: Liquidity

Liquidity Management

1. Ample deposit base
2. High discount capacity on central banks
3. Long term issuance

**Dep.+ M-L term
financing / Loans (%)**



Santander has a privileged position of liquidity that allows it to continue satisfying the financial needs of its customers.



Internacionalization through autonomous affiliates in capital and liquidity

Affiliates advantages

- ✓ Neutrizes contagion among different entities of the Group
- ✓ Reinforces superviso: home coutry supervisor + host country supervisor
- ✓ Market discipline in local issuances
- ✓ Incentives for risk local management



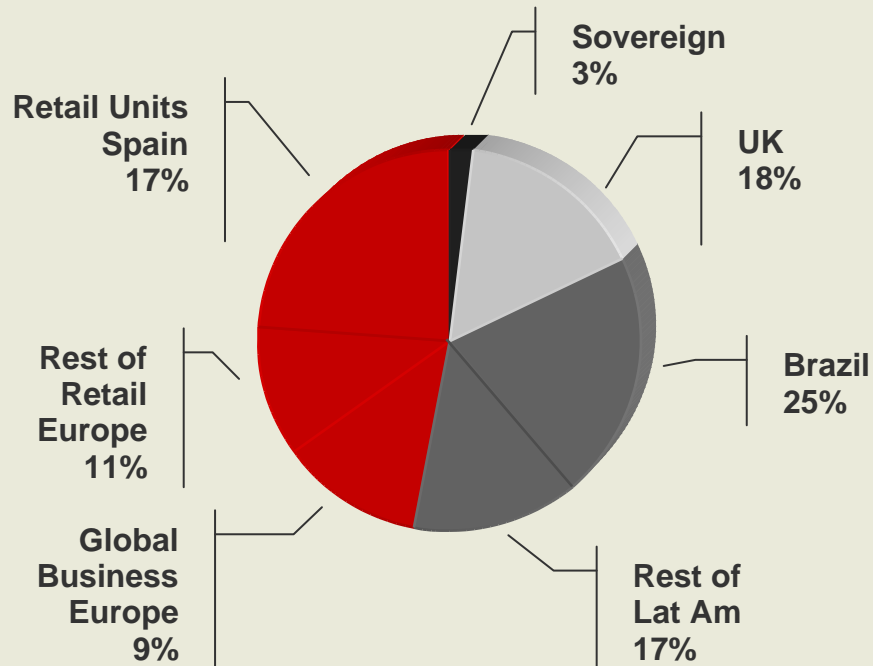
Corporate advantages

- ✓ Corporate policies implemented globally
- ✓ Global + local control
- ✓ Sharing best practices among countries
- ✓ Products and technology sinergies
- ✓ Global single brand
- ✓ Strategic coordination

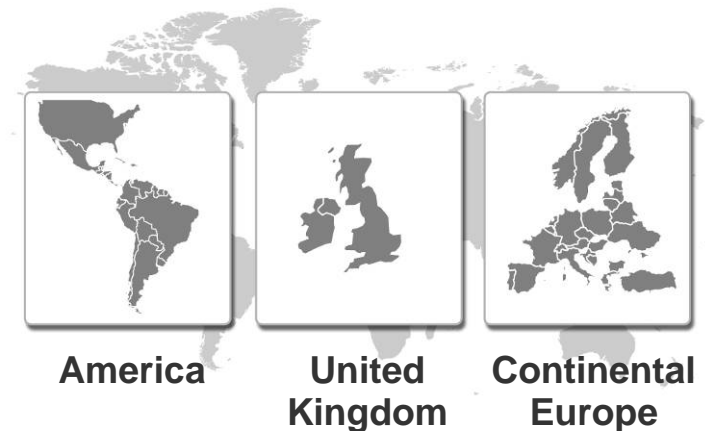


Strength 5: Geographical Diversification: three great areas

9M'10 attributed profit, by geographical area



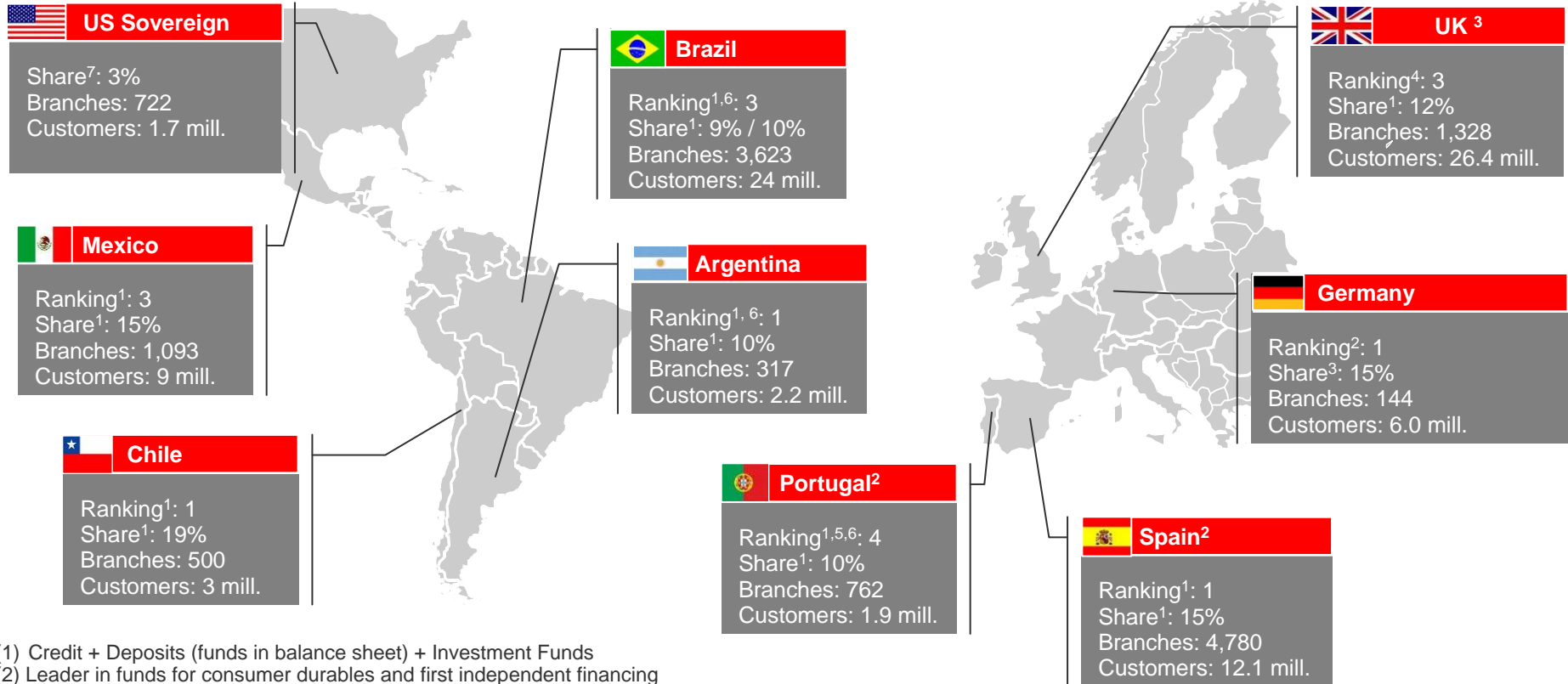
Three great areas:





With substantial market shares in 9 countries

(9M'10 data except customers 1H10)







- (1) Credit + Deposits (funds in balance sheet) + Investment Funds
- (2) Leader in funds for consumer durables and first independent financing
- (3) Estimated share in vehicle financing
- (4) Ranking for deposits
- (5) 3rd largest private bank in Portugal, 1st for profit
- (6) Excluding public entities
- (7) In its influence area



Using the economic downturn to grow and become stronger

Corporate operations in 2010

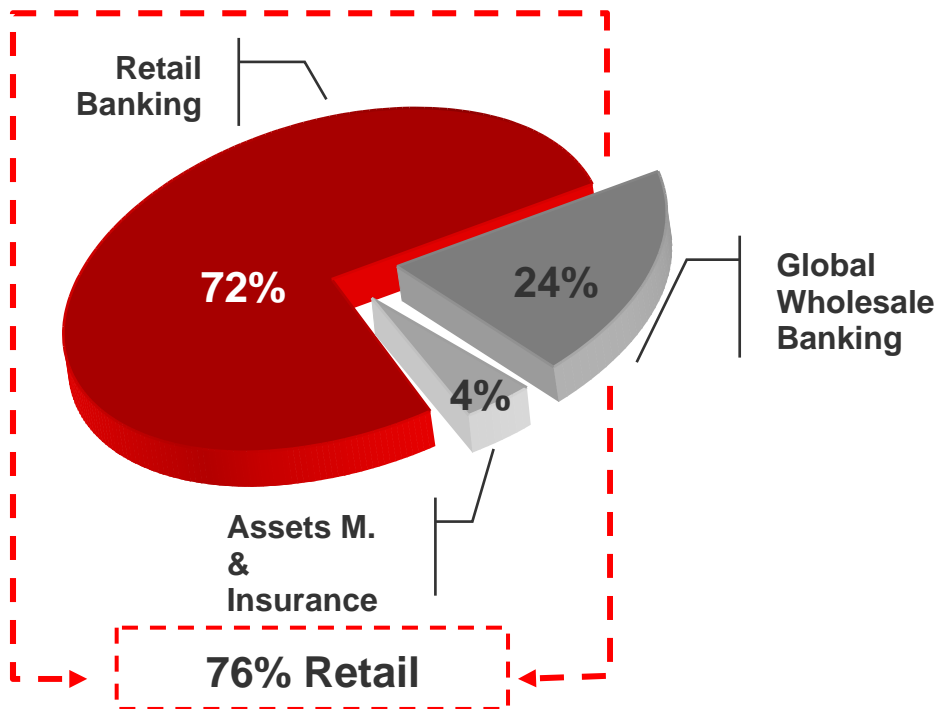
		Amount	Branches	Clients
	México Purchase of 25% of Santander México from Bank of America	USD 2.5 billion	1,092 (*)	8.8 million (*)
	Germany SEB retail banking business	€555 million	173	1.0 million
	United Kingdom Royal Bank of Scotland branches	£ 1.65 billion	318	2.0 million
	Poland Purchase of 70% Bank Zachodni WBK to AIB	€2.938 million	512	2,5 million

Non core businesses disposals = acquisitions in the last 3 years



Strength 6: Customer Focus

Attributable profit by business (9M'10)



Santander is essentially a retail bank, which gives greater recurrence to deposits and profit.



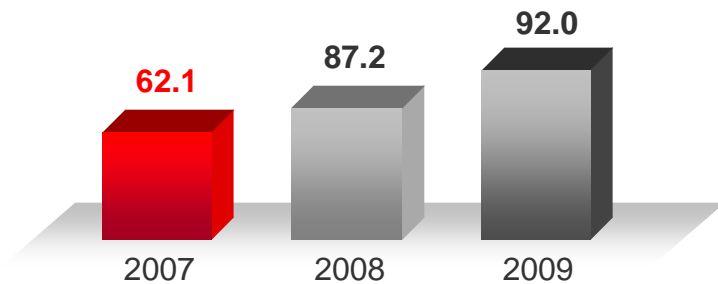


92 million customers

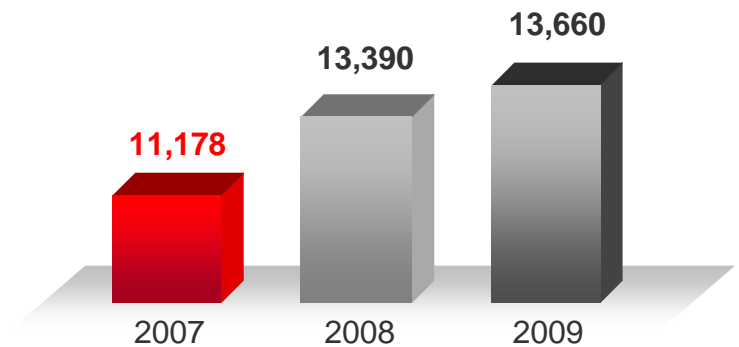
13,907 branches

International bank with greatest number of branches

Clients



Branches



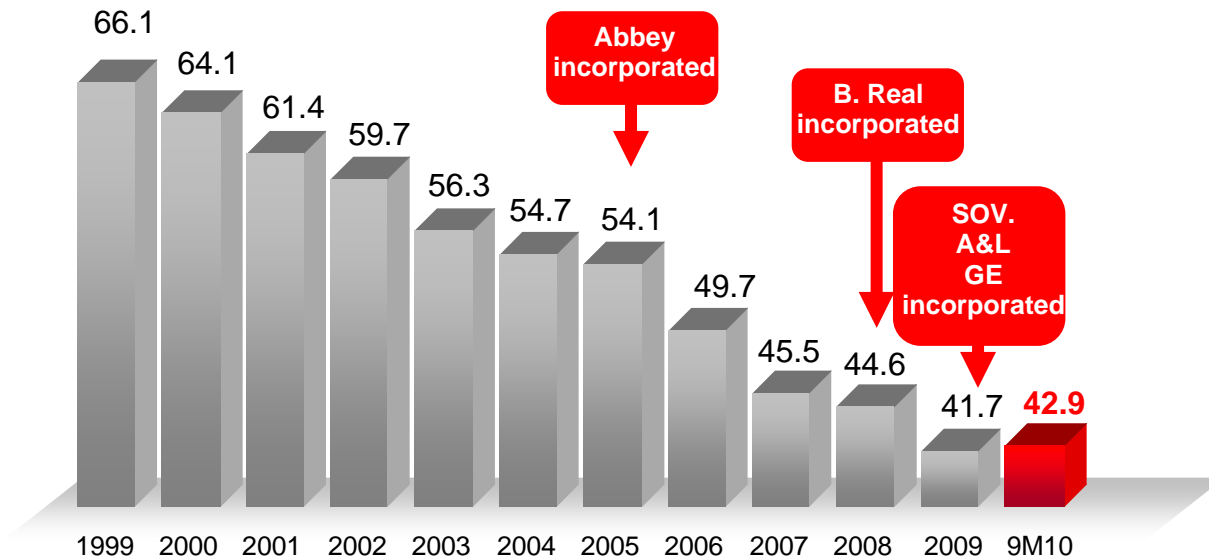


Strength 7: Efficiency

Efficiency ratio

By percentage

Santander is among the world's most efficient international banks.



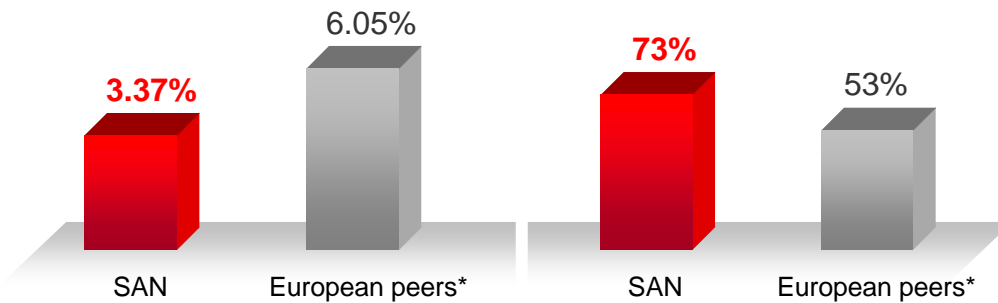


Strength 8: Risk Prudence

Group Ratios

Non performing loans

Coverage



Santander has non performing loans levels below averages in the geographical areas in which it is present.

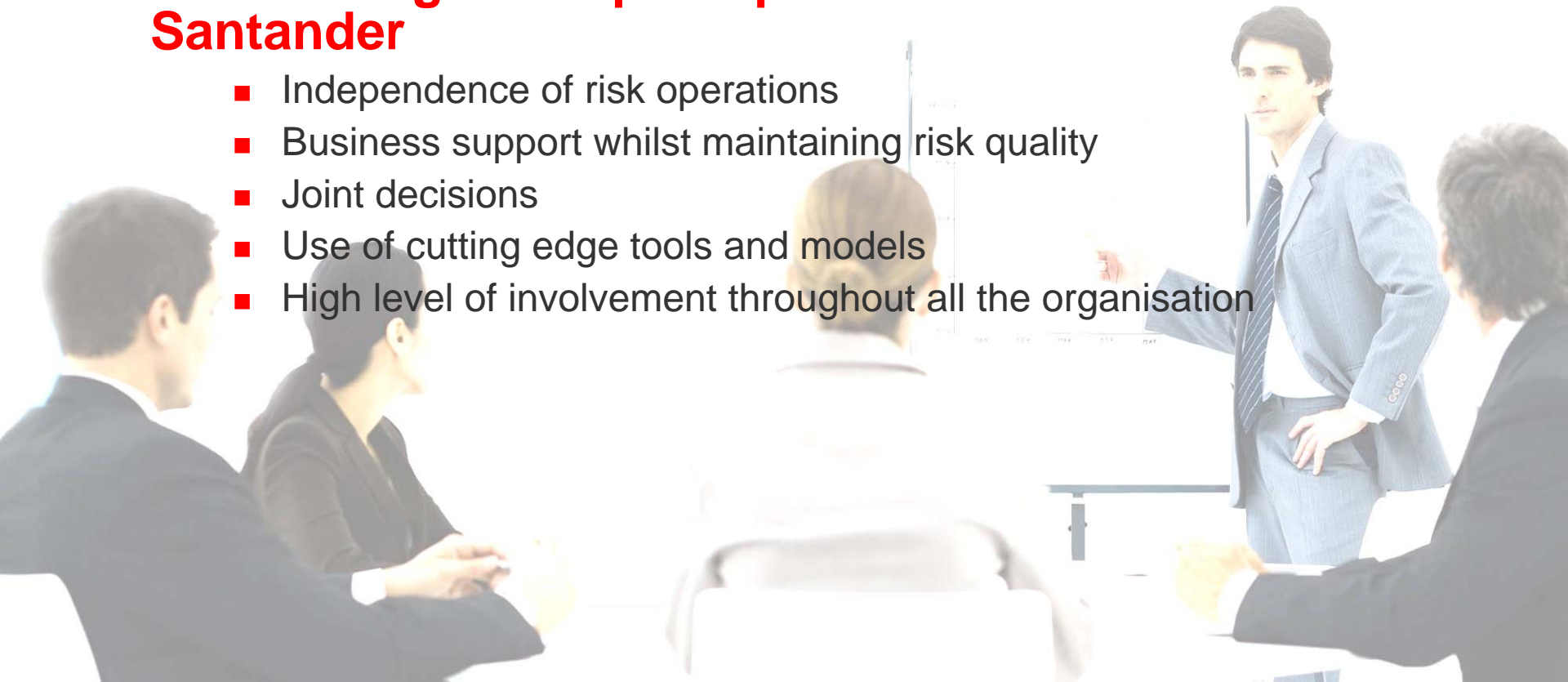
(*) European banking average for our peer group. June'10



Risk prudencey

Risk management principles at Banco Santander

- Independence of risk operations
- Business support whilst maintaining risk quality
- Joint decisions
- Use of cutting edge tools and models
- High level of involvement throughout all the organisation













Business Model

Banco Santander's Strengths



Strength 9: The Santander Brand

“The Banker” February 2010. **Brand Finance.**

Rank 2010	Rank 2009	Brand	Brand Value 2010	Brand Value 2009	Market Cap 2010
1	1	HSBC 	28,472	25,364	193,794
2	2	Bank of America 	26,047	21,017	111,754
3	4	 Santander	25,576	10,840	128,087
4	3	WELLS FARGO 	21,916	14,508	131,225
5	7	citi 	14,362	9,810	70,105
6	8	 BNP PARIBAS	14,060	9,360	67,144
7	17	 Goldman Sachs	13,887	6,753	93,316
8	10	CHASE 	13,400	8,747	69,901
9	12	 Bradesco	13,299	7,698	56,583
10	14	 BARCLAYS	13,134	7,583	56,155

Santander is the world's

No. **3**

Financial Brand

No. **6**

Company in the world

According to Forbes



... and commitment to society

€126 millions invested in CSR in 2009

Santander is one of the best positioned companies in Dow Jones Sustainability Indexes

1. The Bank that most supports universities in the world

- 833 co-operation agreements with universities in 20 countries
- More than 14,000 scholarships per year
- 177,000 new employees via Universia

2. We take care of the environment

3. Social Actions



Team

Banco Santander's Strengths

Strength 10: The team

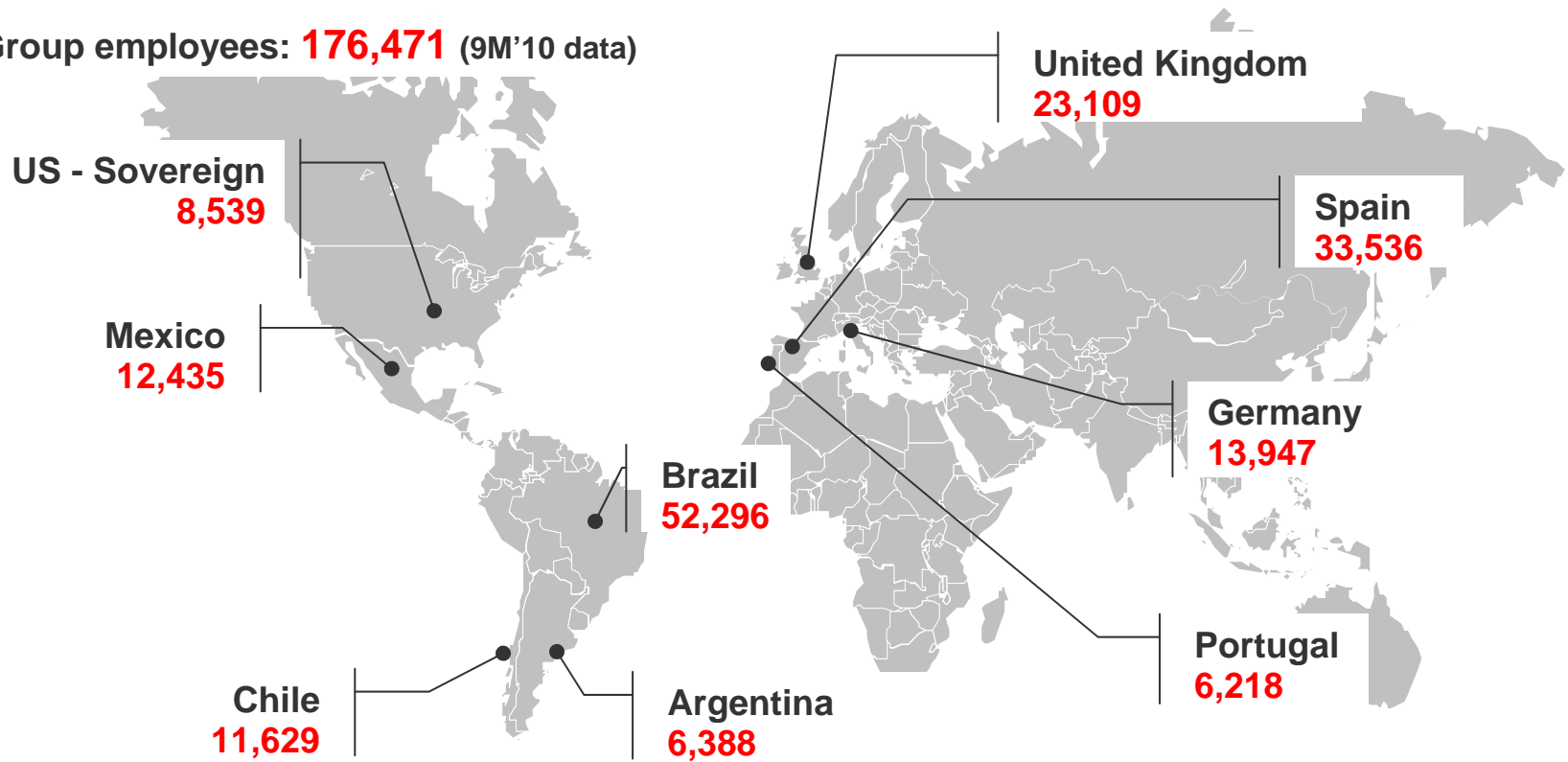




“We have the best team in international banking”

Emilio Botín.
Chairman

Group employees: **176,471** (9M'10 data)





That shares the 6 corporate values:

**Professional ethics
and sustainability**

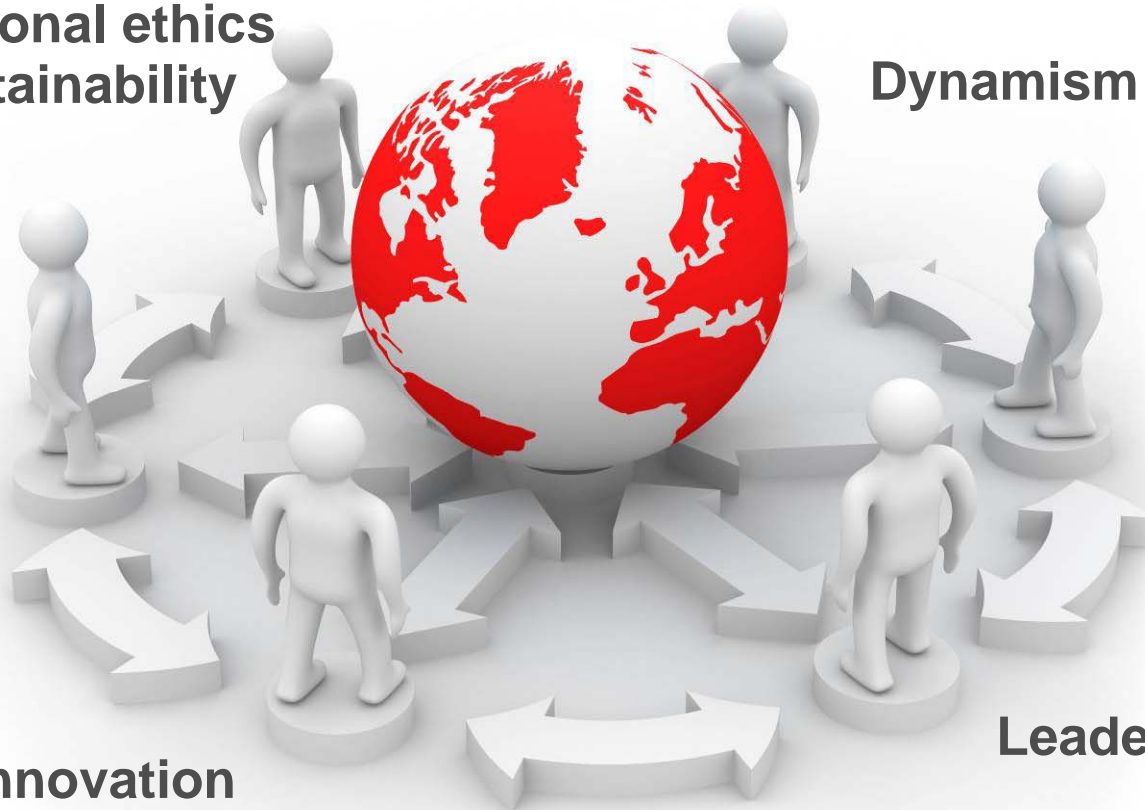
Dynamism

**Commercial
focus**

Strength

Innovation

Leadership





“Santander is, without a doubt, the bank which has best negotiated the economic crisis, and which has best made use of the opportunities which have arisen”

The Banker



10 strengths to beat the competition

- 1.** Among the top five in the world for profit in the last three years.
- 2.** The international bank which paid out the most to its shareholders in 2009.
- 3.** A solid, solvent bank, yielding strong results.
- 4.** A privileged liquidity position.
- 5.** A bank which is geographically diversified across 9 key markets.
- 6.** Essentially a retail bank.
- 7.** Among the most efficient international banks of the world.
- 8.** Non performing loans below average in all geographical areas
- 9.** Third financial brand in the world.
- 10.** The best team in international banking.

