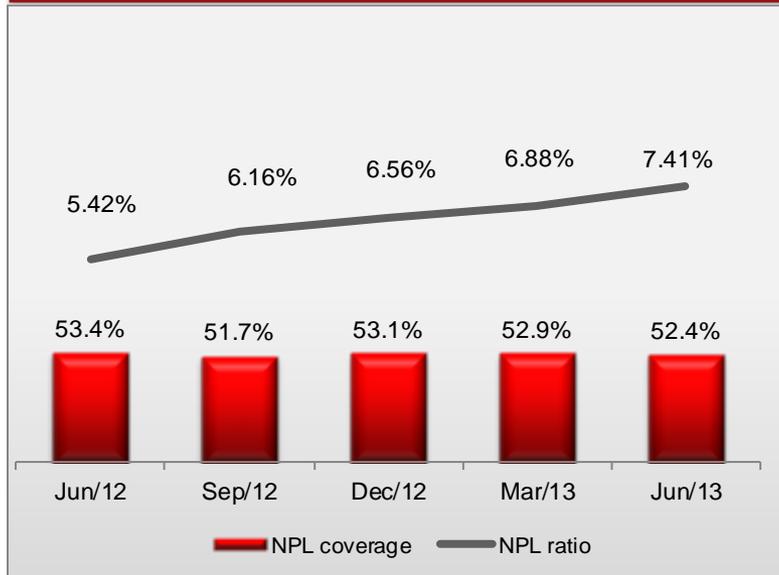


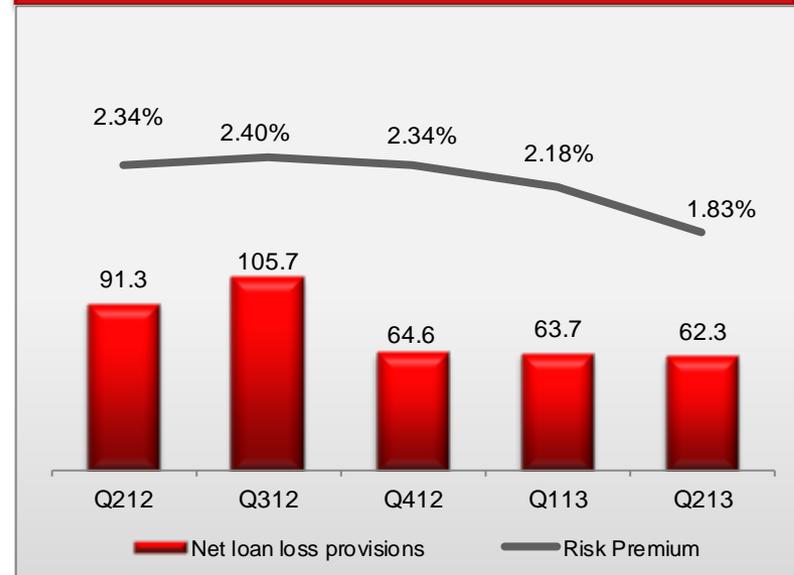
Results: asset quality levels

**NPL ratio increased, but BST however maintained high coverage ratios.
Provisions stabilized in the last 3 quarters**

NPL ratio and NPL coverage

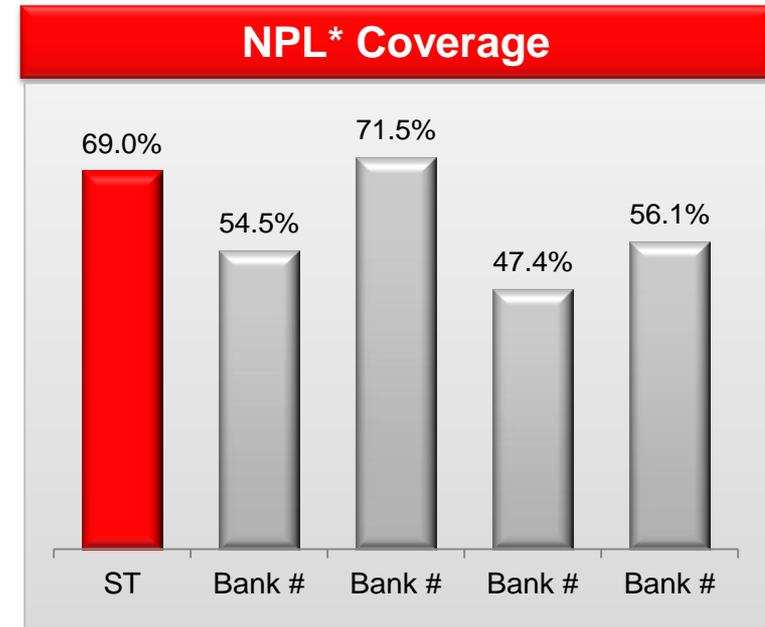
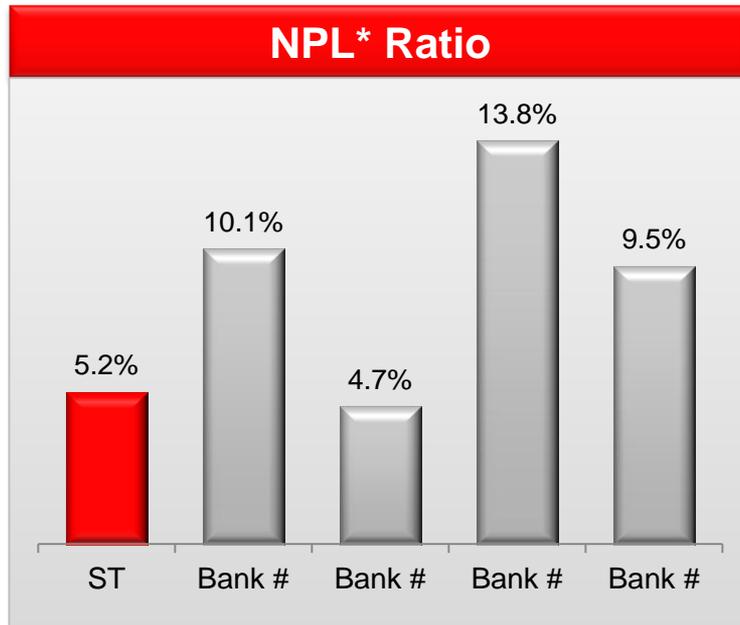


Loan Loss Provisions and Risk Premium



Results: asset quality levels

In local criteria the NPL and coverage ratios are significantly better compared to the average of the banking system



(*) "Credit at risk" - includes total value of credit with capital or interest past due (more than 90 days), restructured credit and credits of an insolvent or bankrupt debtor

Source: Press Releases

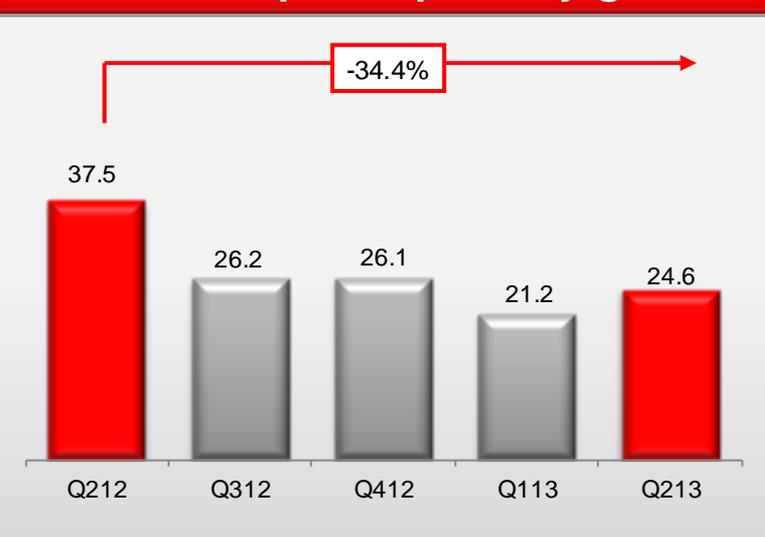
As of Mar/13. Local criteria

Results: net income

Net attributable income has improved but will likely remain subject to headwinds in the next quarters

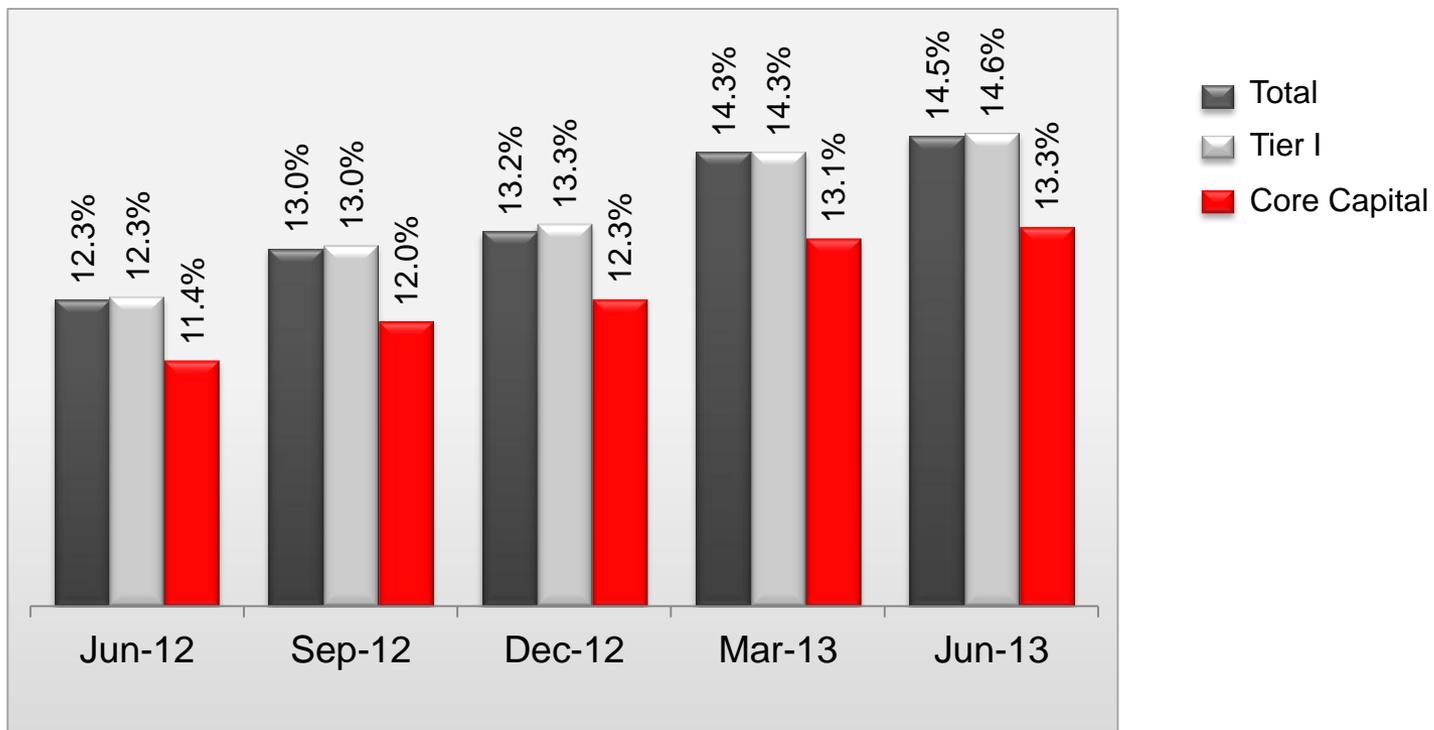
Million Euros

Attributable profit quarterly growth



| (million euros) | Jun/13 | Jun/12 | % Var.2013/2012 |
|-------------------------------------|-------------|-------------|--------------------|
| Income before taxes & MI | 62.8 | 88.9 | -29.3% |
| Taxes | (16.9) | (19.1) | -11.5% |
| Minority Interest | 0.1 | (0.1) | n.s. |
| Attributable Profit | 45.8 | 69.8 | -34.4% |

Solid capitalization levels



Conclusions

- Economic data point to a mild improvement in activity in 2Q, following several quarters of contractions. The economy may be bottoming, albeit at subdued levels.
- Following the resignation of Finance Minister Gaspar, there was a divide between PSD and CDP, the two coalition parties.
- Fiscal strategy aims to bring down the fiscal deficit to 0,2% of GDP in 2016
- Santander Totta recorded a 13,3% core capital ratio and a Tier I of 14,6%, significantly above from 11,4% and 12,3% in June 2012
- Costs maintain a downward trend
- Net operating income, despite falling YoY, has improved relatively to the previous quarters
- Provisions have stabilized in the last three quarters
- The recession continues to impact asset quality indicators but NPL and coverage ratios continue to compare very favourably with peer's according to the latest available data

Index

- Macroeconomic Outlook and Financial System
- Business Growth
- Q2 2013 Results
- **Annexes**

Income statement as of Jun13

| EUR million | | | Variation | |
|--|------------|------------|--------------|---------------|
| | H1 13 | H1 12 | Amount | % |
| Net interest income | 251 | 300 | (49) | (16,2) |
| Net fees | 172 | 181 | (10) | (5,4) |
| Gains (losses) on financial transactions | 30 | 77 | (47) | (61,3) |
| Other operating income* | 12 | 27 | (15) | (54,8) |
| Gross income | 465 | 585 | (120) | (20,5) |
| Operating expenses | (246) | (253) | 7 | (2,6) |
| General administrative expenses | (206) | (212) | 6 | (2,7) |
| <i>Personnel</i> | (149) | (153) | 4 | (2,6) |
| <i>Other general administrative expenses</i> | (57) | (59) | 2 | (3,1) |
| Depreciation and amortisation | (40) | (41) | 1 | (2,2) |
| Net operating income | 219 | 332 | (113) | (34,1) |
| Net loan-loss provisions | (126) | (223) | 97 | (43,4) |
| Other income | (30) | (21) | (9) | 44,4 |
| Profit before taxes | 63 | 89 | (26) | (29,3) |
| Tax on profit | (17) | (19) | 2 | (11,5) |
| Profit from continuing operations | 46 | 70 | (24) | (34,2) |
| Net profit from discontinued operations | — | — | — | — |
| Consolidated profit | 46 | 70 | (24) | (34,2) |
| Minority interests | 0 | (0) | 0 | — |
| Attributable profit to the Group | 46 | 70 | (24) | (34,4) |

Quarterly income statement

EUR million

| | Q1 12 | Q2 12 | Q3 12 | Q4 12 | Q1 13 | Q2 13 |
|--|------------|------------|------------|------------|------------|------------|
| Net interest income | 147 | 152 | 147 | 122 | 117 | 134 |
| Net fees | 90 | 91 | 77 | 70 | 85 | 87 |
| Gains (losses) on financial transactions | 70 | 7 | 32 | (0) | 23 | 7 |
| Other operating income* | 10 | 17 | 1 | 2 | 6 | 6 |
| Gross income | 318 | 267 | 258 | 195 | 231 | 233 |
| Operating expenses | (126) | (126) | (126) | (128) | (124) | (122) |
| General administrative expenses | (106) | (106) | (106) | (107) | (104) | (102) |
| <i>Personnel</i> | (76) | (76) | (76) | (77) | (75) | (74) |
| <i>Other general administrative expenses</i> | (30) | (29) | (30) | (31) | (29) | (28) |
| Depreciation and amortisation | (20) | (20) | (20) | (21) | (20) | (20) |
| Net operating income | 191 | 141 | 132 | 67 | 107 | 112 |
| Net loan-loss provisions | (131) | (91) | (106) | (65) | (64) | (62) |
| Other income | (16) | (5) | 6 | 4 | (13) | (17) |
| Profit before taxes | 44 | 45 | 31 | 7 | 31 | 32 |
| Tax on profit | (12) | (7) | (5) | 20 | (10) | (7) |
| Profit from continuing operations | 32 | 38 | 26 | 26 | 21 | 25 |
| Net profit from discontinued operations | — | — | — | — | — | — |
| Consolidated profit | 32 | 38 | 26 | 26 | 21 | 25 |
| Minority interests | (0) | 0 | 0 | (0) | 0 | 0 |
| Attributable profit to the Group | 32 | 38 | 26 | 26 | 21 | 25 |

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

Balance sheet as of Jun13

| EUR million | | | Variation | |
|---|---------------|---------------|----------------|--------------|
| | 30.06.13 | 30.06.12 | Amount | % |
| Loans and credits* | 25 210 | 27 289 | (2 079) | (7,6) |
| Trading portfolio (w/o loans) | 1 794 | 1 789 | 5 | 0,3 |
| Available-for-sale financial assets | 4 934 | 5 511 | (577) | (10,5) |
| Due from credit institutions* | 3 566 | 2 368 | 1 197 | 50,6 |
| Intangible assets and property and equipme | 906 | 418 | 487 | 116,5 |
| Other assets | 5 829 | 6 018 | (189) | (3,1) |
| Total assets/liabilities & shareholders' equ | 42 239 | 43 394 | (1 155) | (2,7) |
| Customer deposits* | 23 577 | 23 772 | (195) | (0,8) |
| Marketable debt securities* | 2 396 | 3 892 | (1 496) | (38,4) |
| Subordinated debt | 0 | 0 | 0 | 49,3 |
| Insurance liabilities | 87 | 67 | 20 | 30,0 |
| Due to credit institutions* | 13 336 | 13 325 | 11 | 0,1 |
| Other liabilities | 296 | (196) | 492 | — |
| Shareholders' equity** | 2 547 | 2 534 | 13 | 0,5 |
| Off-balance-sheet funds | 2 158 | 2 266 | (108) | (4,8) |
| Mutual funds | 1 281 | 1 441 | (160) | (11,1) |
| Pension funds | 768 | 757 | 11 | 1,5 |
| Managed portfolios | 109 | 69 | 40 | 59,0 |
| Customer funds under management | 28 131 | 29 930 | (1 799) | (6,0) |

* Includes all stock of concept classified in the balance sheet

** Not including profit of the year

