

2015 FIRST HALF YEAR RESULTS

Santander Totta achieves net income of 103.6 million euros, a 29.2% increase

“Income for the first half year evinces the Bank’s soundness, the recurrence and quality of its results and the growth of its business.

Contrary to the market, Santander Totta recorded a growth in credit granted to companies (+3.3%), and in its respective market share, and deposits and marketed investment funds increased by 9.1% and 25.6% in the period, demonstrating customer growth.

In the following months we intend to grow further and to capture new customers endeavouring to become a Simpler, Personal and Fairer Bank, benefiting from our excellent rating and soundness, as well as the welcoming obtained for the 1|2|3 solutions for private customers.”

António Vieira Monteiro, Executive Chairman of Banco Santander Totta

- Net income amounting to 103.6 million euros, equivalent to a 29.2% growth relative to the homologous period.
- Net Interest Income increases by 5.8% in the half year as compared to the same period in the previous year.
- Credit granted to corporates increases by 3.3% in annualized comparison and by 2.2% relative to the previous quarter, again evincing an increase in market share considering the system’s negative progress.
- Production of home loans almost doubles relative to the homologous period (+97.0%) continuing the decrease in the portfolio’s rate of slowdown.
- Customers’ recourses increased by 6.0% in annual terms, showing 9.1% increases in deposits and 25.6% in marketed investment funds.
- Cost of credit (in annual terms), measured by the relation between credit impairments and the average credit portfolio was 0.33%, a 0.21 pp improvement relative to the same period in the previous year.
- Net financing obtained with the Eurosystem stood at 3.3bn euros, a 6.1% reduction relative to the previous period.
- CET 1 Ratio at 15.0% and *fully implemented* CET 1 Ratio at 13.6%¹.

¹ In line with the Bank’s best interpretation of the rules in force with CRD IV/CRR and applicable national philtres. Does not include any impact on DTA legislation, since the Bank did not adhere to the regime of proposed Law 235/XII

- Banco Santander Totta was distinguished with the prizes for “Best Bank” and for “Best Private Banking” in Portugal by Euromoney magazine. The Global Finance magazine again considered Santander Totta as the “Best Bank in Portugal”, in the field of “*The World’s Best Developed Markets Banks 2015*”. The same magazine also attributed the prize for the “Best Trade Finance Bank 2015” in Portugal, thus reflecting the Bank’s efforts in the development of the international business area guided towards professional support for Portuguese companies.
- Banco Santander Totta’ rating continues the best in the financing system. Current rating notations of Banco Santander Totta long term debt compared with the levels of the Portuguese Republic are the following: Fitch – BBB (Portugal – BB+); Moody’s – Ba1 (Portugal – Ba1); S&P – BB (Portugal – BB); and DBRS – BBBH (Portugal – BBBL).

Lisbon, 4 August 2015. At the end of June 2015, Santander Totta, SGPS (referred to in this press release as “Santander Totta” or “Bank”) achieved net income amounting to 103.6 million euros, a 29.2% increase relative to the homologous period. This progress reflects the increase in commercial revenue and the decrease in operating expenses and allocations to impairments and provisions.

Net interest income rose to 283.4 million euros, recording a 5.8% growth as compared to the 267.9 million euros shown in the homologous period. The positive progress in net interest income has mainly been the cause of improvement in the cost of financing, particularly in the case of deposits.

Commercial revenue, totalling 425.6 million euros, increased by 7.7% relative to the homologous period, and also benefited from stability in the case of commissions and from improvement in the remaining income from banking business.

Deposits continued evolving very positively, increasing by 9.1% in annual terms, and by 2.6% relative to the end of the previous quarter, amounting to 20,552 million euros. In its turn, the credit portfolio amounted to a total of 26,674 million euros, decreasing by 0.5% in homologous terms. Compared with the previous quarter credit showed a slight increase (+0.6%), reflecting the positive behaviour of credit granted to corporates, which increased by 2.2% and the slowdown in the rate of decrease in home loans, due to the very significant increase in new loans contracted.

Credit at risk ratio stood at 5.59%, progressing positively in relation to the value shown in March 2015, with reinforcement in the coverage ratio which stood at 80.6% (78.0% at the end of the previous quarter).

CET 1 Ratio stood at 15.0%, increasing by 0.40 pp relative to the value recorded in the homologous period, and Tier 1 Ratio reached 16.3%.

Financing obtained with the Eurosystem stood at 3.3bn euros, a 6.1% reduction compared with the value shown at the end of March 2015. The portfolio of assets eligible to guarantee financing operations with the Eurosystem stood at 11.9bn euros.

Business Environment

Economic activity will have continued accelerating, in year-on-year terms, in the second quarter, with an estimated 1.7% growth (compared to 1.5% in the previous quarter). The dynamics shown continue to be the result of domestic demand, with outstanding private consumption, which will have experienced faster growth in this period.

Household expenditure will have accelerated to 2.7% in the second quarter of 2015, largely due to the level of discretionary expenses, in non-food goods and services. This progress shows that families are starting to reinstate the portion of expenditure which had been reduced during the period of economic adjustment, but in line with the recovery in employment (in May, the unemployment rate, according to preliminary estimates, stood at 13.2%, below the 13.7% recorded during the first quarter), as well as in available income (replacement of 20% of cuts in salaries and pensions which had been in force in latter years).

Investment will have accelerated more rapidly in homologous terms, with positive progress in all its components. In the last quarter, investment in construction recorded its first positive evolution since 2008. The “Investment Survey” by the National Statistics Institute showed that, in 2015, companies intend increasing investment by 2.5%, an improvement compared to the reduction expectations revealed by the previous survey, carried out in the beginning of the year.

Net exports will have once again contributed positively towards the quarterly growth, although the contribution to year-on-year growth may have been negative. During a large part of the first semester of 2015 the Sines refinery was closed down for maintenance, affecting both exports and imports. At any rate, non-energy exports continued evolving favourably, in line with the improved perspectives for the European economy. In this regard, the evolution in the Greek economic and financial situation is a contingent risk, but which, in the current framework of an agreement and a new financing programme, may not have a relevant material impact for the European area.

Fiscal revenue continues progressing positively, in line with the dynamics of domestic demand, but expenditure is increasing relative to the homologous period since, as a result of the decisions of the Constitutional Court, in 2015 only 80% of the cuts in salaries and pensions which had been in force in latter years were maintained. This effect should be dissipated throughout the year, requiring close monitoring of the public accounts in order to achieve the target deficit at 2.7% of GDP.

The Treasury repaid the IMF loan, partially and earlier than planned, by approximately 7.6 thousand million euros (28.7% of the total). The reasons for this action were the better conditions obtainable in the wholesale markets, in terms of interest rates and maturities.

The European Central Bank continues carrying out its programme of acquisition of public debt. Until end-June it had acquired 197.5bn euros of public debt, of which 4.5bn are in respect of Portuguese debt.

Results

At the end of the first half year of 2015, the net income of Santander Totta, SGPS amounted to 103.6 million euros, recording a 29.2% increase as compared to the 80.2 million euros in the same period of the previous year. The positive progress in net income is a reflection of the increase in commercial revenue, lower operating expenses and decreases in allocations for impairments and provisions.

INCOME STATEMENT (million euros)

	Jun-15	Jun-14	Var.
Commercial revenue	425.6	395.3	+7.7%
Operating income and insurance activity	450.5	474.6	-5.1%
Total operating expenses	(237.8)	(247.5)	-3.9%
Net operating income	212.7	227.1	-6.4%
Impairment and net provisions	(65.7)	(114.5)	-42.6%
Equity	9.3	6.9	+33.2%
Income before taxes and MI	156.2	119.6	+30.7%
Consolidated net income	103.6	80.2	+29.2%

Net interest income amounted to 283.4 million euros, a 5.8% increase which mainly reflects the lower cost of financing, particularly in the case of deposits. Relative to the previous quarter, net interest income decreased by 1.2%.

Net commissions amounted to 133.7 million euros, practically in line with the value recorded in the first half of 2014, and the other results in banking business showed a positive progress, standing at 1.5 million euros, which compares with -14.6 million euros recorded at end-June 2014. The positive behaviour of this heading is a consequence of lower devaluations in the assets of the Novimovest real estate investment fund.

Gains in financial transactions amounted to 24.9 million euros which compares with 79.3 million euros recorded in the homologous period. It should be stressed that the value booked in the first half of 2014 includes gains obtained with the security portfolio, which were totally cancelled with the setting up of voluntary provisions and with an extraordinary depreciation of software in the second quarter.

OPERATING INCOME (million euros)

	Jun-15	Jun-14	Var.
Net interest income (without dividends)	283.4	267.9	+5.8%
Dividends from equity instruments	1.1	1.1	-0.4%
Net commissions	133.7	134.4	-0.5%
Other banking income	1.5	-14.6	-110.5%
Insurance activity	5.9	6.4	-8.6%
Commercial revenue	425.6	395.3	+7.7%
Gain/loss on financial transactions	24.9	79.3	-68.7%
Operating income and insurance activity	450.5	474.6	-5.1%

Operating expenses amounted to 237.8 million euros, a 3.9% decrease, justified by the 41.9% decrease in depreciation, deriving essentially from the change in the useful life of several software applications, from 5 to 3 years, carried out in 2014. Personnel expenses increased slightly as compared to the homologous period (+0.3%), whilst the increase in general expenses results essentially from higher expenses related to the acceleration of the Bank's investment plan in new technologies and in the simplification of its operating procedures.

OPERATING EXPENSES (million euros)

	Jun-15	Jun-14	Var.
Personnel expenses	(137.2)	(136.8)	+0.3%
General expenses	(77.1)	(70.3)	+9.7%
Operating expenses	(214.3)	(207.1)	+3.5%
Depreciation	(23.5)	(40.4)	-41.9%
Total operating expenses	(237.8)	(247.5)	-3.9%
Efficiency ratio (excl. depreciation)	47.6%	43.6%	+3.9 p.p.
Efficiency ratio (incl. depreciation)	52.8%	52.2%	+0.6 p.p.

Total impairments and provisions amounted to 65.7 million euros, a 42.6% decrease relative to the values booked in the same period of the previous year. Cost of credit, measured by the relation between provisions and the credit portfolio stood at 0.33%.

Income before taxes and minority interests amounted to 156.2 million euros and net income to 103.6 million euros, corresponding to a 6.1% return on equity.

Accounts and Activity

In June 2015, customer's resources amounted to 25,652 million euros, with increases of 6.0% relative to the value achieved in the homologous period and 1.3% relative to the end of the previous quarter, as a consequence of the favourable progress in deposits and investment funds marketed by the Bank, which offset the decrease verified in capitalization insurance and other resources.

Total deposits amounted to 20,552 million euros recording increases of 9.1% compared with the homologous period and 2.6% relative to the value shown in March. In its turn, marketed investment funds recorded a 25.6% significant annual increase and a 1.2% increase relative to the value shown at the end of the previous quarter, thus maintaining the trend of recovery.

The credit portfolio decreased by 0.5% relative to the homologous period and, compared to the end of the previous quarter is already showing a slight increase of 0.6%. This progress is a consequence of not only the positive variation in credit granted to corporates, which increased 3.3% relative to June 2014 and 2.1% relative to March 2015, but also of the strong dynamics shown in new home loans, which grew by 97.0% relative to the values shown in the homologous half year, and which has contributed towards less accentuated negative portfolio variations.

BUSINESS VOLUME (million euros)

	Jun-15	Mar-15	Jun-14	Var.QoQ	Var.YoY
Total Gross Loans	26,674	26,506	26,820	+0.6%	-0.5%
<i>from which</i>					
Credit to Individuals	16,482	16,535	16,897	-0.3%	-2.5%
<i>from which</i>					
Mortgage	14,657	14,709	15,004	-0.4%	-2.3%
Consumer credit	1,387	1,368	1,416	+1.4%	-2.0%
Credit to Corporates	9,992	9,781	9,676	+2.2%	+3.3%
Resources	25,652	25,330	24,204	+1.3%	+6.0%
Deposits	20,552	20,022	18,835	+2.6%	+9.1%
Securities issued (clients)	25	65	224	-60.8%	-88.6%
Balance sheet resources	20,578	20,087	19,059	+2.4%	+8.0%
Investment funds managed or marketed by the Bank	1,694	1,674	1,348	+1.2%	+25.6%
Insurance and other	3,380	3,569	3,797	-5.3%	-11.0%
Off-Balance sheet resources	5,074	5,243	5,145	-3.2%	-1.4%

The credit at risk ratio stood at 5.59%, a 0.09 pp reduction compared to June 2014 and the coverage of credit at risk by provisions stood at 80.6% which compares with 74.5% shown in the homologous period. The ratio of non-performing and doubtful loans stood at 4.30% and the respective coverage ratio at 104.7%.

The weight of new entries in non-performing loans in excess of 90 days (adjusted by write-offs and credit recoveries), in the credit portfolio, evolved very favourably to 0.13% (0.61% in the homologous half year).

CREDIT RISK RATIOS

	Jun-15	Jun-14	Var.
NPL ratio (+ 90 days)	4.26%	4.02%	+0.24 p.p.
NPL coverage ratio (+90 days)	105.6%	105.2%	+0.4 p.p.
NPL and doubtful loans ratio	4.30%	4.08%	+0.22 p.p.
Net NPL and doubtful loans ratio	0.83%	1.01%	-0.18 p.p.
NPL and doubtful loans coverage ratio	104.7%	103.7%	+1.0 p.p.
"Credit at risk" ratio	5.59%	5.68%	-0.09 p.p.
"Credit at risk" coverage	80.6%	74.5%	+6.1 p.p.
Risk premium*	0.13%	0.61%	-0.48 p.p.
Cost of Credit	0.33%	0.54%	-0.21 p.p.
Restructured loans/loans	9.5%	9.3%	+0.2 p.p.
Restructured loans not included in "credit at risk"/loans	7.1%	6.7%	+0.4 p.p.

* New entries in NPL (> 90 days), adjusted by write-offs and credit recoveries as % of loans

Liquidity, Solvency and Profitability

At the end of June, net financing obtained from the Eurosystem stood at 3.3bn euros, a 6.1% decrease relative to the value shown in March 2015. The portfolio of assets eligible as guarantees for financial transactions with the Eurosystem stood at 11.9 billion euros, which, linked to the already referred current levels of usage of ECB funds, allows the Bank to maintain very comfortable levels of available liquidity.

The LCR (Liquidity Coverage Ratio) stood at 138.4%, compared with 120.2% shown in March 2015.

The Common Equity Tier 1 Ratio stood at 15.0%, in line with the value recorded at end-2014, and increasing by 0.4 pp relative to the homologous period, which once again evinces the Banks' capability in organically generate capital, in spite of keeping up its policy of distributing approximately 50% of net results in dividends (which was never interrupted during the recent crisis).

CAPITAL			
	Jun-15	Dec-14	Jun-14
Common Equity Tier 1	2,447	2,464	2,470
Tier 1	2,658	2,704	2,716
Total Capital	2,658	2,704	2,716
Risk Weighted Assets (RWA)	16,282	16,360	16,956
CET 1 ratio	15.0%	15.1%	14.6%
Tier 1 ratio	16.3%	16.5%	16.0%
Total Capital Ratio	16.3%	16.5%	16.0%

Commercial Banking

Individuals and Business Customers

The first six months of 2015 were featured by the improvement in confidence relative to the evolution of several relevant economic indicators, although the political uncertainties related with the new bail-out request in Greece gave rise to moments of great volatility in the financial markets.

Expectations in Portugal for the current year are more favourable, with some economic indicators evolving positively.

The Bank was guided by its strategic priorities and corporate culture of being a **Simple, Personal and Fair** Bank.

The first half year witnessed the Bank's sustained strategy in its soundness and in customer confidence which has resulted in an increase in resources and in the favourable response to customers' credit requirements. This principle has enabled the Bank's market shares to grow in home loans, consumer credit, business support and SMEs.

At the end of the first quarter, a new relationship model was launched that complements the existing offer in the private customers' market. After the Mundo Select was launched, in 2014, for the affluent segment, the Mundo 1|2|3 was launched for the remaining universe of individual customers.

Mundo 1|2|3 is a multiproduct solution addressed to all the Banks's customers who, in addition to the advantages of the linked accounts, provides a set of benefits, via *cash-back* Mundo 1|2|3 card account, in line with the products the customer holds at any time:

- 1% of the value of purchases with the Mundo 1|2|3 Card;
- 2% of the value of home accounts (water, electric power, gas and communications – TV, Internet, mobile and fixed telephones) paid by direct debit in the Mundo 1 2 3 Account;
- 3 cents/litre in Repsol fuel (adherent Repsol service stations in Portugal) with the Mundo 1|2|3 Card, in addition to an immediate discount of 5 cents/litre.

Customers have at their disposal a benefits simulator and several means for them to find out, at any time, what they have saved with Mundo 1|2|3 – NetBanco, consolidated monthly statement and SuperLinha.

At the end of June, more than 40,000 customers had already adhered to the Mundo 1|2|3 account and approximately 17,000 were already enjoying the total benefits of Mundo 1|2|3. This solution has enabled the Bank to increase the capturing of new customers and to strengthen relations with existing customers.

Regarding credit cards, focus has been kept up in the placing of cards with new customers.

Actions were pursued in increasing the profitability of the portfolio and in promoting the use, with special reference to the new Mundo 1|2|3 credit card, with an attractive loyalty programme. Continuity was provided, in June, to the summer campaign linked to the Light Card.

Companies

The keen price level competition that was felt in 2014 and in the first quarter of 2015 continued throughout the second quarter of the year. The Corporates Network kept up a strategy based on a balanced management between the volumes of the credit portfolio and resources, thus guaranteeing the sustained growth of its profitability.

Materializing the intention of supporting viable projects, the credit produced by the Corporates Network exceeded 1.35 billion euros, throughout the second quarter.

In the SME Invest/Growth Lines, Banco Santander Totta maintained a relevant position with a 17% market share having placed, until the end of the second quarter of 2015, more than 21,000 transactions, amounting to a total of approximately 2.2 billion euros. In the SME 2014 Growth Line, which started in March of the previous year and ended in April, the Bank was the leader with an 18.4% market share in the financing of SME Investments contracted transactions. Equally in the SME 2015 Growth Line, started in April, the Bank was placed above its market share, representing 16.5% of the amount already comprised in SME Investments.

During the first half of 2015, the Bank continued expanding the value of its offer for corporates' international business. It strengthened its International Business Sales team, promoted an

intense dynamic effort with corporates, especially in the area of trade finance, and enlarged its capabilities in the obtaining of knowledge, contacts and networks, placing at customers' disposal the Santander Trade Package, including the Santander Trade Site, the Santander Club and the Santander *webinars*.

The International Desk continued providing support to more than 200 internationalized corporates in markets where Santander is present, including the "Passport" concept, which enable a homogeneous worldwide treatment. The Bank organized and took part in events covering strategic markets for Portuguese companies, in partnership with bodies linked to the energizing of internationalization.

Also in this context of support to international business and to internationalization, the launching took place of the *Pack Europa*, an innovating solution of factoring and confirming for Europe, which provides to exporting and importing companies, products, services and tools for treasury support that enable the efficient financing of the operational cycle crucial to their internationalization.

Results achieved until the end of the first half of 2015, in the case of non-financial partnerships, prove the success of the Advance Programme: 5,112 companies registered in the Advance site, approximately 375 requests for training were received (68 of which are already on course), 812 licences for online training were attributed and 14 classroom training sessions were held with the participation of approximately 400 companies.

With respect to financial solutions, 7,265 Advance accounts were opened, 2,317 Advance POS were contracted and 55 million euros in Advance financing were formalized, of which 16.3 million euros from the Advance fund, demand for which exceeds 150 million euros. The volume of business of Corporate Network customers who benefited from the Advance Programme grew by 8%.

Still in the area of the Advance programme, the Bank also launched the Advance credit campaign, a short term support solution that links, in one only contract, factoring, confirming and overdraft, which provides through producers organizations, funds for farmers in the initial cultivating stages when needs for working capital are more significant and no final product is yet available.

Investment Funds

Throughout the first half of 2015, a 290.7 million euros growth was recorded in mutual funds, based on the ascent of the Santander Select (+246.5 million euros) and Santander Private (+95.8 million euros) funds.

In terms of gross profitability, and for a 12 month period, the performances stood out of the Select funds with 1.9%; 7.0% and 12.3% for the defensive, moderate and dynamic profiles, respectively and of the Private funds with 2.4%; 7.8% and 12.7% for the defensive, moderate and dynamic profiles, respectively.

Outstanding also, the performance of the Santander Acções Europa fund with a 9.0% profitability and of the Santander Acções America fund with 30.0%.

At the end of the first half of 2015, the mutual funds marketed by Banco Santander Totta totalled 1.96 billion euros, with a 16.9% market share, corresponding to a 2.5 pp increase since the beginning of the year.

The real estate investment funds managed by SAM totalled 483.3 million euros, at the end of June 2015, corresponding to a 4.4% market share.

Global Banking and Markets

The activity of the Financing Solutions & Advisory area comprised the Advisor and financing operations of the acquisition of the Vilamoura Resort by Lonestar and the participation of the split in the ENEOP 2 assets.

The positive trend in the Project Finance and Acquisition Finance markets was confirmed during this period, with companies searching for new investment opportunities.

The Fixed Income & FX (FIC) area continued supporting Portuguese companies by presenting solutions to mitigate financial risks, and the support provided to the internationalization of national companies should be stressed, specifically in the following forms: i) through strengthening the investment in products that improve the efficiency in the management of the exchange rate risk and, ii) through greater proximity with importing and exporting companies supporting the management of flows arising out of their trading exchanges.

The area of Structured Products started 2015 with a fair performance in the marketing of liability products. Eleven structured products were issued in the first half year, 9 of which are euro denominated issues amounting to a total of 465 million euros and 2 US Dollar denominated, amounting to a total of 27 million US Dollars. Issues placed during this period are indexed to different assets transacted in worldwide shareholder markets.

Insurance

The Insurance area continued deepening the business relationship with customers in order to ensure their closer protection, adapting the range of products to segmentation strategies and endeavouring to offer each customer profile the adequate insurance for their needs.

With respect to recurring business, insurance sales were again very positive in contributions towards commissions, proving the adequacy of the strategy of the placing of autonomous products (not related to banking products), confirming the increment in demand for such products and the increase of portfolio persistence.

The rate of penetration and the online sales of insurance through the Bank's site, NetB@nco, have also evolved very favourably supported by the channels specific promotion.

In the risk insurance marketed autonomously to credit, the 17% growth in commissions should be stressed, compared to the 2014 homologous period. "SafeCare" continues being well placed, the policy portfolio increasing by 14% as compared to end-2014, and counting at the end of June 2015, with approximately 87,300 persons insured. "Protecção Lar" (Home Protection)

continues in heavy demand, with approximately 10,600 policies underwritten throughout the first half of 2015.

Focus was equally kept on the marketing of solutions to protect family income in case of death or unemployment - “Plano Protecção Família” (Family Protection Plan) and “Plano Protecção Ordenado” (Salary Protection Plan) – with sales reaching approximately 16,300 policies in the first half of 2015. The “Seguro Viva Mais” (Live Further Insurance) reached approximately 3,300 policies placed in the same period.

In the Advance segment, the “LifeCorporate” product, launched in the first half of 2014, continues being of interest to companies and is in significant demand, with approximately 4,000 policies underwritten since it began being marketed.

The new personal accident product, launched at the end of March, has been crucial for the continued development of the insurance offer and in the achievement of the 2015 commitments. This product is intended for individual customers whose concern is the protection, from the financial point of view, against accidents, especially accidents with motor vehicles, and contains a package of medical assistance as an obligatory complementary cover (domicile, nursing, physiotherapy and comfort, and personal care).

With the recovery in the production of home loans, an increase is visible in the production of credit linked insurance, contributing towards a premium volume, in the first six months of 2015, amounting to 41.4 million euros, representing a 9.1% increase relative to the previous year. In personal credit, premium volume amounted to 8.8 million euros, a 20.7% increase compared to the same period in 2014.

Total premiums of risk insurance, during the first half of 2015, brokered by the Santander Totta Network amounted to 83.5 million euros, an 8.2% increase compared to the 2014 homologous period.

Informação Institucional

Banco Santander (SAN.MC, STD.N, BNC.LN) is a leading retail and commercial bank, based in Spain, with a meaningful market share in 10 core countries in Europe and the Americas.

Santander is the largest bank in the euro zone by market capitalization and among the top 12 banks on a global basis. Founded in 1857, Santander had EUR 1.51 trillion in managed funds, 12,910 branches and 190,000 employees at the close of June 2015. In the first half of 2015, Santander made ordinary attributable profit of EUR 3,426 million, a 24% increase.

Santander Totta, SGPS
BUSINESS VOLUME (million euros)

	Jun-15	Jun-14	Var.
Total Gross Loans	26,674	26,820	-0.5%
<i>from which</i>			
Credit to Individuals	16,482	16,897	-2.5%
<i>from which</i>			
Mortgage	14,657	15,004	-2.3%
Consumer credit	1,387	1,416	-2.0%
Credit to Corporates	9,992	9,676	+3.3%
Resources	25,652	24,204	+6.0%
Deposits	20,552	18,835	+9.1%
Securities issued (clients)	25	224	-88.6%
Balance sheet resources	20,578	19,059	+8.0%
Investment funds managed or marketed by the Bank	1,694	1,348	+25.6%
Insurance and other	3,380	3,797	-11.0%
Off-Balance sheet resources	5,074	5,145	-1.4%

Santander Totta, SGPS

Ratios calculated in accordance with instructions nº 16/2004, nº 23/2011 and 32/2013 from the Bank of Portugal

RATIOS

	Jun-15	Jun-14	Var.
Solvency			
Core Tier I	15.0%	14.6%	+0.4 p.p.
Tier I	16.3%	16.0%	+0.3 p.p.
Solvency ratio	16.3%	16.0%	+0.3 p.p.
Credit Quality			
NPL and doubtful loans ratio	4.3%	4.1%	+0.2 p.p.
NPL and doubtful loans coverage ratio	104.7%	103.7%	+1.0 p.p.
Net NPL and doubtful loans ratio	0.8%	1.0%	-0.2 p.p.
"Credit at risk" ratio	5.6%	5.7%	-0.1 p.p.
"Credit at risk" ratio (net)	1.1%	1.5%	-0.4 p.p.
Restructured Loans/Total Loans	9.5%	9.3%	+0.2 p.p.
Restructured Loans (not included in credit at risk)/Total Loans	7.1%	6.7%	+0.4 p.p.
Profitability			
Income before taxes and MI/Average net assets	0.8%	0.6%	+0.2 p.p.
Operating income/Average net assets	2.2%	2.4%	-0.2 p.p.
Income before taxes and MI/Average equity	9.4%	7.9%	+1.5 p.p.
Efficiency			
Total operating expenses/Operating income	51.7%	51.4%	+0.3 p.p.
Personnel expenses/Operating income	29.8%	28.4%	+1.4 p.p.
Transformation			
Credit (net)/Deposits	124.5%	137.1%	-12.6 p.p.
Credit (net)/Deposits*	115.9%	127.2%	-11.3 p.p.

* According the definitions in the "Memorandum of Understanding"

Santander Totta, SGPS
INCOME STATEMENT (million euros)

	Jun-15	Jun-14	Var.
Net interest income (without dividends)	283.4	267.9	+5.8%
Dividends from equity instruments	1.1	1.1	-0.4%
Net interest income	284.6	269.1	+5.8%
Net commissions	133.7	134.4	-0.5%
Other banking income	1.5	-14.6	-110.5%
Insurance activity	5.9	6.4	-8.6%
Commercial revenue	425.6	395.3	+7.7%
Gain/loss on financial transactions	24.9	79.3	-68.7%
Operating income and insurance activity	450.5	474.6	-5.1%
Total operating expenses	(237.8)	(247.5)	-3.9%
Personnel expenses	(137.2)	(136.8)	+0.3%
General expenses	(77.1)	(70.3)	+9.7%
Depreciation	(23.5)	(40.4)	-41.9%
Net operating income	212.7	227.1	-6.4%
Impairment and net provisions	(65.7)	(114.5)	-42.6%
Equity	9.3	6.9	+33.2%
Income before taxes and MI	156.2	119.6	+30.7%
Taxes	(52.6)	(39.3)	+33.7%
Minority interests	(0.1)	(0.1)	+24.5%
Consolidated net income	103.6	80.2	+29.2%

(*) Not audited

Santander Totta, SGPS
BALANCE SHEET (million euros)

	Jun-15	Jun-14	Var.
Deposits at Central Banks	477	881	-45.8%
Cash, loans and advances to banks	1,548	1,883	-17.8%
Financial assets	9,756	11,694	-16.6%
Net loans	25,473	25,685	-0.8%
Hedging derivatives	129	193	-33.1%
Non current assets held to sell	211	198	+6.5%
Other tangible assets	321	344	-6.8%
Other assets	1,386	1,825	-24.0%
TOTAL ASSETS	39,302	42,705	-8.0%
Resources from Central Banks	3,780	4,243	-10.9%
Resources from other institutions	3,026	5,554	-45.5%
Financial liabilities held for trading	1,844	1,832	+0.6%
Financial liabilities designated at fair value through profit and loss	2,998	3,586	-16.4%
Resources of customers and others	20,552	18,835	+9.1%
Debt securities issued	2,653	3,987	-33.5%
Hedging derivatives	150	242	-37.9%
Provisions	378	439	-13.8%
Subordinated liabilities	-	-	-
Other liabilities	628	878	-28.4%
Shareholder's equity	3,293	3,110	+5.9%
TOTAL LIABILITIES AND EQUITY	39,302	42,705	-8.0%