

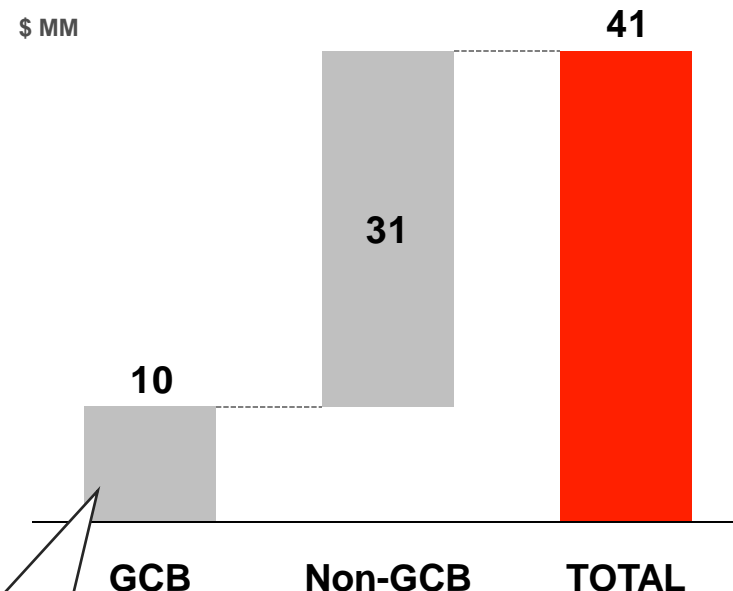
# GCB US NY Branch Preliminary Analysis

# NY Branch - Business July YTD

## H1 2016 YTD Income Statement

\$ MM	Dec-15	H1 '16 YTD	H1 '16 % Budget
NII	83	28	168%
Fees	2	0	14%
Gains on Financial Transactions	33	12	70%
<b>Total Revenues</b>	<b>117</b>	<b>41</b>	<b>114%</b>
<b>Expenses</b>	<b>-44</b>	<b>-18</b>	<b>91%</b>
<b>Provisions</b>	<b>-9</b>	<b>-6</b>	<b>N/A</b>
<b>Profit Before Taxes</b>	<b>65</b>	<b>17</b>	<b>104%</b>
<b>Profit After Taxes</b>	<b>63</b>	<b>16</b>	<b>97%</b>
<b>C/I</b>	<b>37%</b>	<b>43%</b>	

## H1 2016 YTD Total Revenues



- Legacy Credit book with 12 funded and 11 unfunded facilities
- Offshore Market Making books for countries without double taxation agreements with Spain (eg Brazil, Mexico, Chile, Colombia, Peru and Argentina)
- 9 FTEs in GCB Front Office

# NY Branch - Proposed GCB Model in the US

Objective: To have an operating model for GCB in the US fully aligned with SBNA's strategy, the demands from local regulators and GCB's clients needs in the US and abroad

	SHUSA		SAN SA
	1 SBNA	2 SIS	3 NY Branch
Business	<ul style="list-style-type: none"> <li>▪ Syndications and derivatives for Commercial Banking and Retail (Collaboration Revenues)</li> <li>▪ Syndicated Loans and Project Finance within existing appetite</li> <li>▪ Cash Management</li> </ul>	<ul style="list-style-type: none"> <li>▪ Securities and Capital Markets</li> </ul>	<ul style="list-style-type: none"> <li>▪ Transactional Banking</li> <li>▪ Securitization</li> <li>▪ Project Finance underwriting</li> <li>▪ RCFs</li> <li>▪ Derivatives</li> </ul>
Clients	<ul style="list-style-type: none"> <li>▪ Retail and Commercial</li> <li>▪ Some MRG clients</li> </ul>	<ul style="list-style-type: none"> <li>▪ Latam and US Corporates and Inst. Investors</li> </ul>	<ul style="list-style-type: none"> <li>▪ Latam and US Corporates and Inst. Investors</li> </ul>
Teams	<ul style="list-style-type: none"> <li>▪ Teams covering SBNA's clients</li> <li>▪ Support and Control functions</li> <li>▪ Some teams will work for other entities in the US through SLAs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Existing team for Securities and Capital Markets</li> </ul>	<ul style="list-style-type: none"> <li>▪ Existing teams covering Latam derivatives books</li> <li>▪ Teams transferred from SBNA</li> </ul>
Value proposition	<ul style="list-style-type: none"> <li>▪ Serve Commercial and Retail clients with Syndication and Derivatives products</li> </ul>	<ul style="list-style-type: none"> <li>▪ Wholesale banking broker dealer</li> <li>▪ Capital Markets X-selling</li> </ul>	<ul style="list-style-type: none"> <li>▪ SAN SA balance sheet</li> <li>▪ Product capabilities</li> <li>▪ Rating</li> <li>▪ Scalability</li> </ul>
Location	<ul style="list-style-type: none"> <li>▪ Boston / NY</li> </ul>	<ul style="list-style-type: none"> <li>▪ NY</li> </ul>	<ul style="list-style-type: none"> <li>▪ NY</li> </ul>

# NY Branch - Financials pro-forma (preliminary figures under review)

PRO-FORMA	2016 Dec Estimate		2017		2019		Delta 16/19	
\$MM	SBNA	NYB	SBNA	NYB	SBNA	NYB	SBNA	NYB
Revenues	289	27	205	105	171	139	(118)	111
Cost	(100)	(29)	(63)	(69)	(44)	(77)	56	(48)
- Direct expenses	(58)	(12)	(26)	(44)	(22)	(47)	36	(35)
- Indirect expenses	(42)	(18)	(37)	(25)	(22)	(30)	20	(12)
Provision	(51)	-	0	(28)	7	(13)	59	(13)
Profit Before Tax	137	(2)	143	8	134	48	(3)	50
Profit After Tax	89	(2)	93	6	87	39	(2)	40
Funded Exposure	11,182	797	7,509	5,186	5,384	8,552	-33%	551%
Unfunded Exposure	6,789	2,049	7,040	7,153	3,034	13,778	4%	249%
Deposits	1,850	350	1,904	524	1,969	999	3%	50%
C/I	35%	107%	31%	66%	26%	56%	N/A	N/A
FO FTEs *	170	10	62	118	52	128	(118)	118
ROE standard (Pro-forma)	5.5%	-0.8%	7.7%	0.6%	11.5%	2.3%	N/A	N/A

\* Final figures of FTEs in each vehicle will depend on the terms of the SLAs signed between SBNA and NYB

# Thank you

Our purpose is to help people and businesses prosper.

Our culture is based on the belief that everything we do should be

**Simple | Personal | Fair**

