



QUARTERLY SHAREHOLDER REPORT OCTOBER - DECEMBER 2015

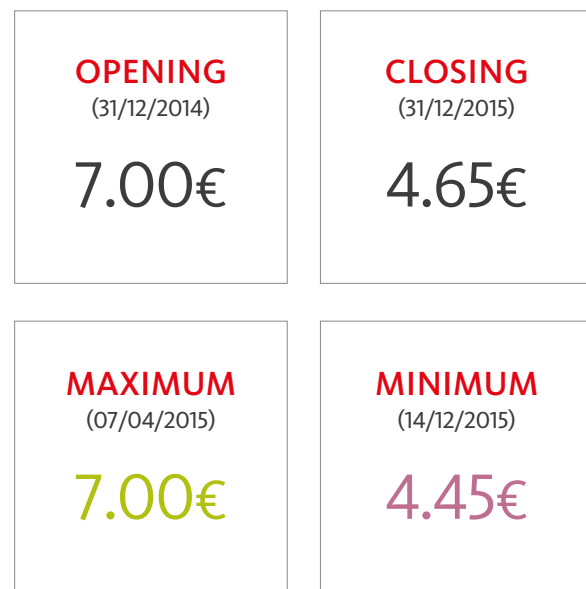
“In 2015, we have delivered ahead of plan in the right way, growing revenues by improving customer service and increasing loyal and digital customers.”

ANA BOTÍN, GROUP EXECUTIVE CHAIRMAN, BANCO SANTANDER

SHARE ACTIVITY

Santander's share price closed at €4.56 per share at year-end 2015.

› Key share price information



› Key factors shaping share price performance

- Difficulties caused by the situation in Greece.
- Slowdown of the Chinese economy.
- Lower expectations for emerging markets.
- Falling oil prices.
- Exchange rate changes.
- Interest rate forecasts.

› International ranking by market capitalisation



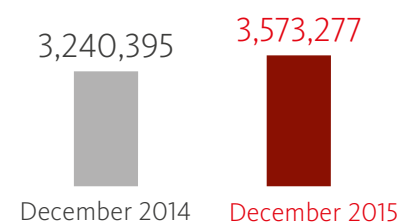
At year end, Banco Santander was the leading bank in the euro area by market value, with a market cap of €65,792 million.

SHAREHOLDER BASE

Banco Santander has 3.6 million shareholders, located mainly across Europe and the Americas.

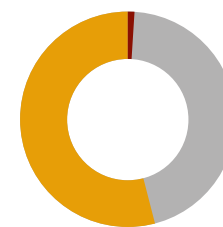
› Number of shareholders

▲ **332,882**
more shareholders in the year.



› Capital stock ownership

31 December 2015



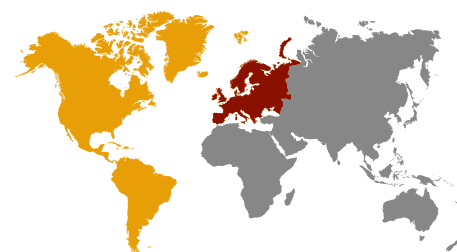
Institutional investors
56.25%

The board of directors
1.24%

Individuals
42.51%

› Geographical distribution of share capital

31 December 2015



Europe
82.4%

America
17.1%

Rest of the world
0.5%

DIVIDENDS

Santander plans to pay its shareholders a total return of 20 euro cents per share from 2015 earnings. This will be distributed as follows:

1st
payment

Paid in August 2015 as a cash dividend.

5 euro cents/share.

2nd
payment

Paid in November 2015 through the Santander Scrip Dividend Scheme.

5 euro cents/share.

3rd
payment

Scheduled for February 2016 as a cash dividend.

5 euro cents/share.

4th
payment

Scheduled for May 2016 as a cash dividend.

5 euro cents/share.

RESULTS

Underlying net attributable profit amounted to 6,566 million euros in 2015, 13% more than in the same period of 2014 (+10% in constant euros). Attributable profit after the net impact of non-recurring capital gains and provisions made in the year was 5,966 million euros, 3% more than in the same period of 2014.

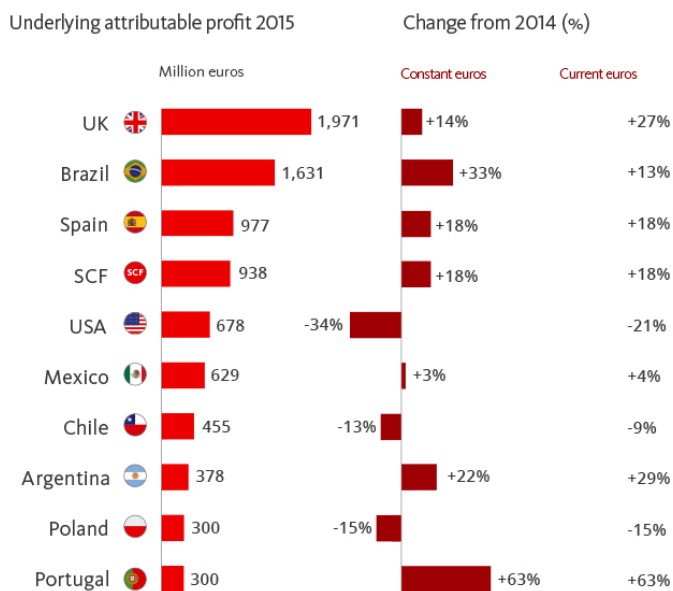
Revenue rose backed by net interest income and fee income.

Inflation-adjusted and with no change in perimeter costs were broadly unchanged.

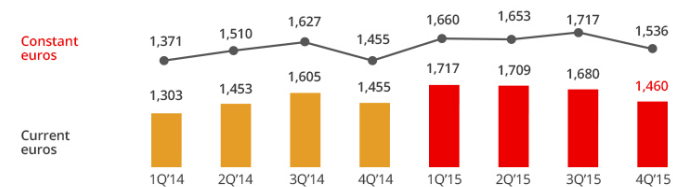
Fall in loan-loss provisions and improvement in cost of credit.

Underlying attributable profit

Attributable profit rose in most units, particularly in the large ones.



Quarterly underlying attributable profit*



*Excluding non-recurring capital gains and provisions.

Income statement

Million euros			Variations		
	2015	2014	Absolute	%	(%) excluding exchange rate
Net interest income	32,189	29,548	2,642	8.9	8.0
Gross income	45,272	42,612	2,660	6.2	5.6
Pre-provision profit (net operating income)	23,702	22,574	1,128	5.0	4.4
Profit before taxes*	10,939	9,720	1,219	12.5	10.3
Attributable profit for the Group*	6,566	5,816	750	12.9	10.1
Attributable profit for the Group	5,966	5,816	150	2.6	0.1

*Excluding non-recurring capital gains and provisions.

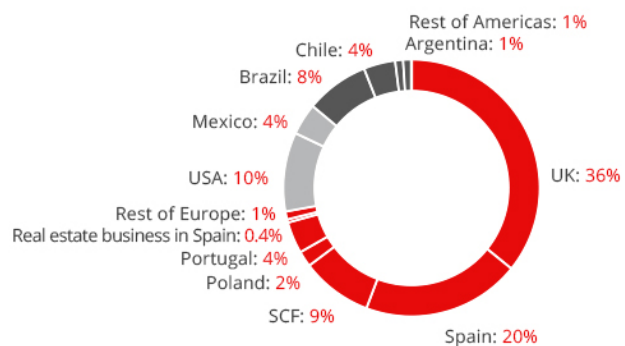
BALANCE SHEET

Total business managed and marketed at year-end 2015 stood at 1,506,520 million euros, of which €1,340,260 million related to assets on the balance sheet and the rest mutual funds, pension funds and managed portfolios.

Increased commercial activity and customer loyalty fed through to growth in lending and customer funds.

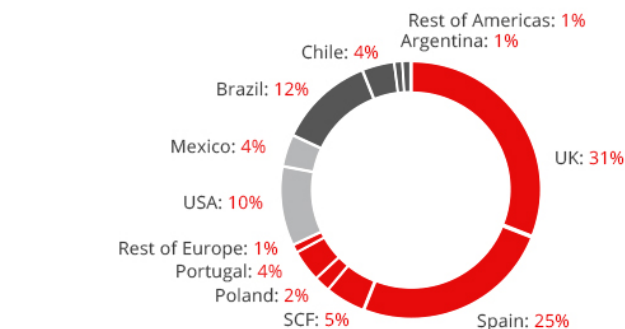
Lending rose by 6% year-on-year in constant euros, with increases in 9 of the 10 main geographical areas and both individuals and companies.

% of total of operating areas. December 2015.



Customer funds up 7% in constant euros, with all geographical markets faring well and following a strategy of growing demand deposits and mutual funds.

% of total of operating areas. December 2015.



Balance sheet

Million euros			Variations	
	2015	2014	Absolute	(%) change
Total assets	1,340,260	1,266,296	73,964	5.8
Net customer loans	790,848	734,711	56,137	7.6
Customer deposits	683,122	647,628	35,495	5.5
Managed and marketed customer funds	1,075,565	1,023,437	52,128	5.1
Stockholders equity	88,040	80,806	7,234	9.0
Total managed and marketed funds	1,506,520	1,428,083	78,437	5.5

SIMPLE, PERSONAL AND FAIR

Our initiatives in 2015 have made us more Simple, Personal and Fair:

Assisting you at all times.

22,336 individual services provided and 656,963 queries answered.

Informing you about the share price and the Group.

Through 11 channels.

Sharing charity and educational initiatives with you.

Support for projects to help children, more than 40 scholarships for university students and 1,000 trees planted.

Involving you in the Bank's progress.

Maximum level of participation at the General Shareholders' Meeting, with 60% of share capital represented.

Offering you exclusive products and services.

141,000 shareholders already enjoy the advantages offered on the "I am a shareholder" webpage.

Browsing with you to head up the digital transformation.

New corporate website, new commercial website and Santander Shareholders and Investors app.

Listening to your opinions.

To keep up with your expectations.

Always ...

Simple | Personal | Fair | What a bank should be

NEWS

General Shareholders' Meeting

Banco Santander plans to hold its 2016 General Shareholders' Meeting shortly. All shareholders will be informed about the timing and attendance methods, in addition to the items on the agenda.

Shareholder remuneration

Boadilla del Monte, Madrid, 28 December 2015. Banco Santander, S.A. hereby announces that as from 1 February 2016 it will pay a third interim dividend out of 2015 profit, for a gross amount of EUR 0.05 per share. On that date, 1 February 2016, the Bank's share will trade ex-dividend.

Santander Shareholders and Investors App

With the Santander Shareholders and Investors app you can:

- Track the SAN share price in different markets in real time.
- Access the Group's quarterly results.
- Get instant access to all Significant Event notices issued by the Bank.
- Access information about events such as the Investor Day or the General Shareholders' Meeting.
- Consult the Bank's remuneration policy, capital distribution and financial reports.
- Learn about offers available to shareholders.

Download free from App Store or Google Play.

CONTACT

Santander Shareholder Relations

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Shareholder Helpline: +34 91 276 92 90*

*Lines are open Monday to Friday from 8.00 a.m. to 7.00 p.m. and on Saturdays from 8.30 a.m. to 1.30 p.m. From 1 July to 30 September there will be no service on Saturdays.

Holders of CREST Depository Interests (CDIs)

www.santandershareview.com
santandershareholders@equiniti.com
Shareholder Helpline: 0371 384 2000*

*Lines are open Monday to Friday from 8.30 a.m. to 5.30 p.m. (excluding English and Welsh public holidays). Callers from overseas should contact +44 (0) 121 415 7188.

Holders of American Depositary Receipts (ADRs)

Bank of New York Mellon, P.O. Box 30170, College Station, TX 77842-3170

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