

2015 RESULTS

Banco Santander delivers on its targets and earns EUR 5.966 million (+3%), with strong underlying performance of 13% based on increasing customer satisfaction and loyalty

- *"In 2015, we have delivered ahead of plan in the right way, growing revenues by improving customer service and increasing loyal and digital customers.*
- *Growth in underlying revenues and profits has resulted in a ROTE of 11%, which has allowed us to pay 79% more cash dividend per share, increase the net asset value of our shares by 3% and strengthen our capital position organically - thereby delivering on commitments we made when we raised capital last year.*
- *We continued to help our clients, both individuals and businesses, prosper through access to credit, which grew 6%. During 2015 we also executed on our commercial transformation to become more simple, personal and fair.*
- *Loyal customers grew by 1.2 million, to 13.8 million, and digitally active customers by 2.5 million, to 16.6 million.*
- *We are confident that we will reach the targets we set for 2016."*

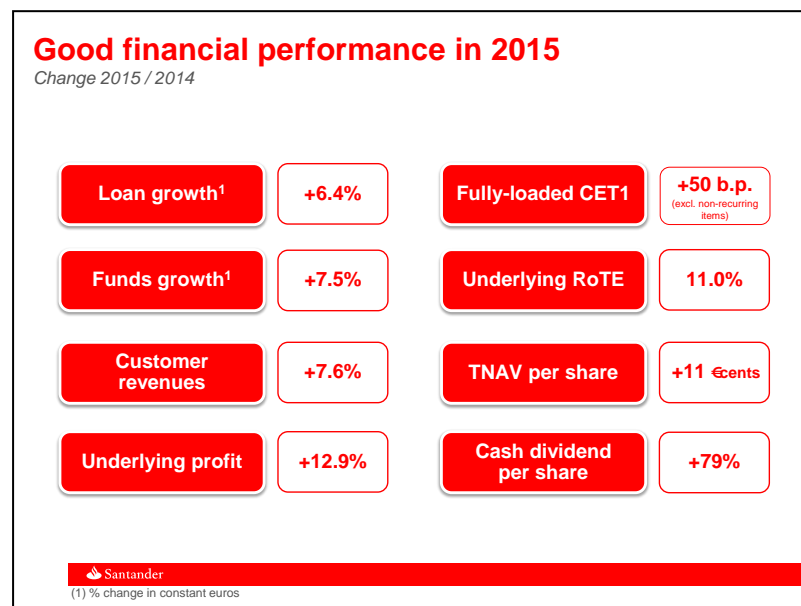
Ana Botín, Group executive chairman, Banco Santander

- CUSTOMERS. Credit volume grew 6%, to EUR 805,395 million, boosted mainly by Latin America and SCF. Deposits and mutual funds, which totalled EUR 774,819 million, were up 7% compared to 2014.
- RESULTS. Commercial revenues grew more than costs, around 8%, while loan-loss provisions fell 4%. Our P&L reflects prudence in management, as non-recurring earnings of EUR 1,118 million were assigned to non-recurring items (EUR 1,718 million).
- CAPITAL. Regulatory CET1 stood at 12.55%, significantly exceeding the minimum required for 2016 (9.75%). The fully loaded CET1 increased 40bps in the year, to 10.05%, on target to exceed 11% in 2018.
- DIVERSIFICATION. Europe contributed 56% to Group profit (UK, 23% and Spain, 12%) and the Americas, 44% (Brazil, 19% and U.S., 8%).
 - Spain: attributable profit amounted to EUR 977 million (+18%). Lending to companies and SMEs increased 1% while customer funds grew 1% for the year.
 - UK: attributable profit stood at EUR 1,971 million (1,430 million pounds, this is before PPI, up 14%). Lending grew 5% and customer funds, 6%.
 - Brazil: attributable profit totalled EUR 1,631 million (5,946 million reais, up 33%). Lending grew 9% and customer funds, 12%.

Madrid, 27 January 2016. Banco Santander registered attributable profit in 2015 of EUR 5,966 million, a 3% increase compared to 2014. Underlying profit, which does not include the effect of non-recurring results, grew an additional ten points, by 13%, and reached EUR 6,566 million.

In a year marked by a complex international economic scenario, with record low interest rates in currencies key to the Group such as the euro, pound and dollar, Banco Santander maintained positive performance. Lending increased 6% and customer funds rose 7% resulting in commercial revenues growing 8% and underlying profit, 13%.

Growth in business and results allow the bank to distribute a dividend per share of EUR 0.20, of which EUR 0.16 is in cash, 79% more than 2014. Dividend yield at current share prices is around 5%. Furthermore, the bank fulfills its commitment to increase tangible net asset value per share (TNAV), which increased by 3% since the close of 2014, to EUR 4.12.



These figures mean the bank is on track to achieve the targets announced by Santander's management team at the September 2015 Investor Day. Key goals were set to reach a core capital ratio above 11% and ordinary RoTE of 13% by the end of 2018. Today, core capital is above 10% and ordinary RoTE is 11%.

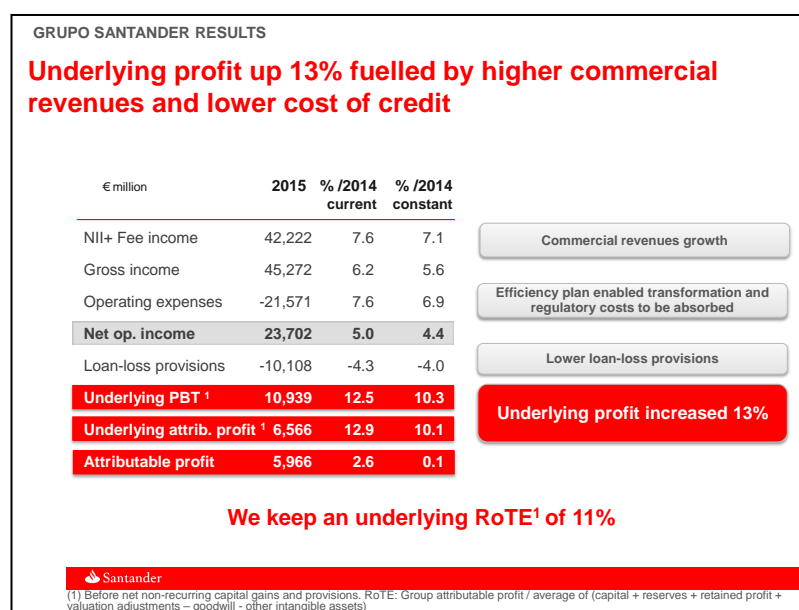
Improved performance in revenue and business was backed by progress achieved in the Group's commercial transformation supported by technological improvements and digitalization. Thus, the number of loyal customers grew 10%, to 13.8 million, with notable increases in Mexico (+14%) and the UK (+11%).

Digital customers increased 17%, to 16.6 million, so that 31% of the Group's total customers can be considered digitally active. Mobile users that use the bank's app an average of 13 times per month increased 50%, to 6.9 million. The volume of digital transactions rose 58%.

Results

2015 results show sustained and higher quality growth, since underlying revenues contributed greater growth. Total revenues grew 6%, backed by commercial revenues (net interest income plus fees), that increased nearly 8%, while gains on financial transactions, which are more volatile due to its reliance on market performance, dropped 16%.

In 2015 the Group achieved record levels in net interest income, which amounted to EUR 32,189 million, and total revenue (gross income), which came in at EUR 45,272 million. These amounts exceed by almost 300 million those registered in 2012, when the last record was set.



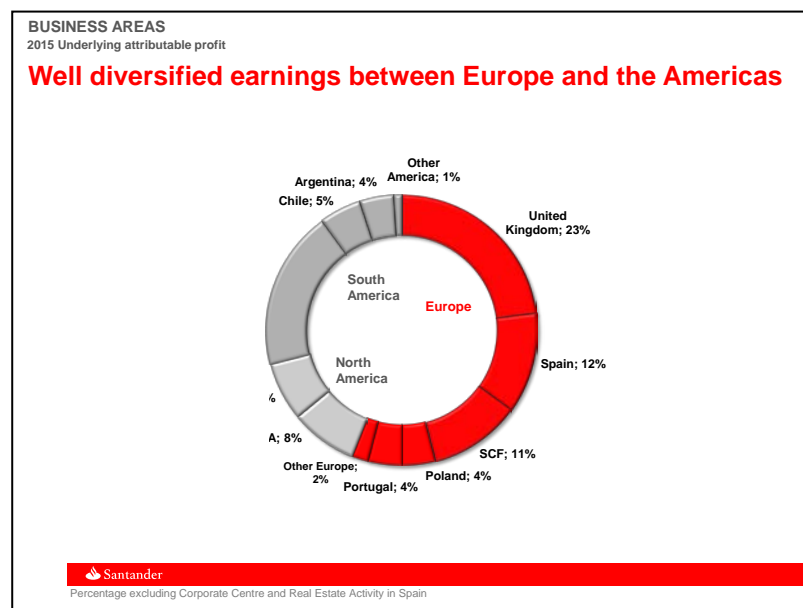
Commercial revenues grew 0.2 point more than costs without the exchange rate effect and grew by exactly the same in euros. Costs rose 7%, to EUR 21,571 million, but would be practically flat without the inflation effect and with the same perimeter. The efficiency plan the bank is implementing allows it to absorb the increased costs due to regulatory requirements and the Group's commercial transformation.

The performance of revenue and costs mentioned takes net margin to 23,702 million, an increase of 5%, and the efficiency ratio to 47.6%, one of lowest ratios among international banks.

Loan loss provisions continued to drop and are now at EUR 10,108 million, 4% less than those made in 2014. At the same time, the bank has assigned to different provisions EUR 1,118 million in non-recurrent results obtained in the year, of which EUR 835 million are from the reversal of tax provisions in Brazil and 283 million from Banco Internacional do Funchal (Banif). Moreover, an additional EUR 600 million fund has been established to cover

potential claims from the commercialization of payment protection insurance in the UK. Without the positive and negative non-recurrent items, underlying profit for Banco Santander in 2015 reached 6,566 million, with growth of 13%.

Europe accounted for 56% of profit and the Americas 44%. By countries, the largest contribution to profit was made by the United Kingdom, with 23%, followed by Brazil (19%), Spain (12%), the United States (8%), Mexico (7%), Chile (5%), Portugal, Argentina and Poland (4% each). Santander Consumer Finance, which carries out its activity in more than ten European countries, especially in Germany, Spain and the Nordic countries, contributed 11% of profit, after earning 938 million, with growth of 18%.

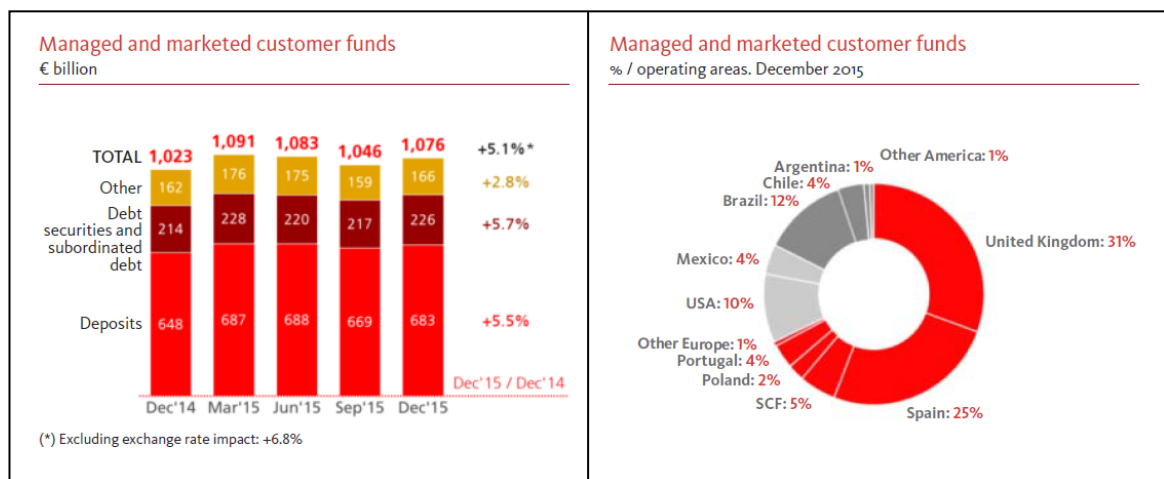


Business

Banco Santander closed 2015 with total assets of EUR 1,340,260 million, 6% more than 2014. Loan volume rose to EUR 805.395 million, 6% more than the prior year. Banco Santander's total customer funds reached EUR 774,819 million, with growth of 7%. Customer deposits grew almost 6% and mutual funds, 14%.

Spain. The total loan portfolio stood at EUR 157,161 million, with a decrease of 3% from the close of 2014. This fall is greatly affected by a 22% drop in financing to the public sector, while financing to SMEs and companies grew 1%. New production continued to register strong growth, with mortgage volume increasing 25%, consumer lending, 33% and credit to SMEs and independent professionals, 18%.

Santander Spain's customer funds totaled EUR 219,263 million between deposits and mutual funds, with growth of 1%. Low interest rates and the appeal of the 1|2|3 account meant a 20% drop in term deposits, while demand deposits increased 9% and mutual funds, 11%. Remuneration on deposits decreased 0.43 point and the cost of credit, 0.47 point.



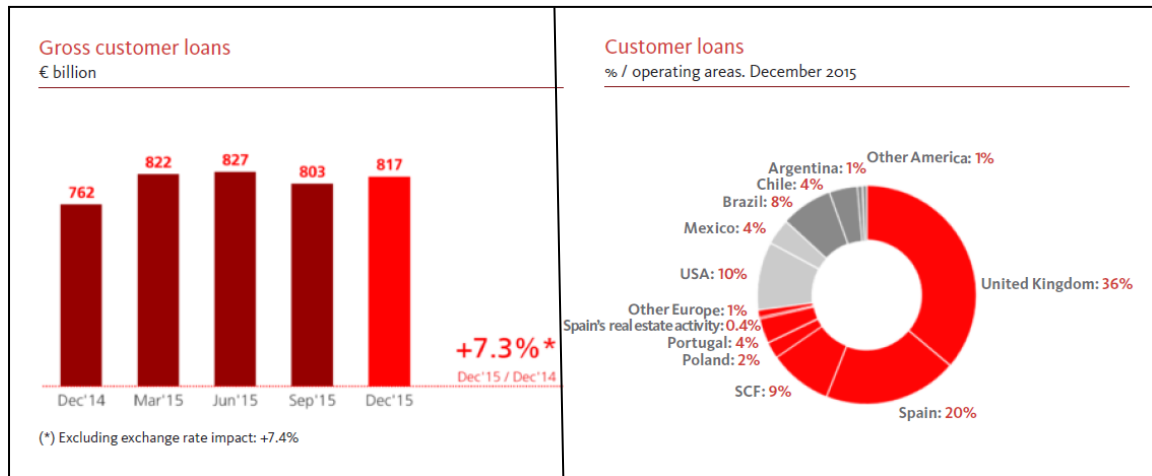
However, the most important development is that Santander recovered leadership in client satisfaction in Spain, to which the 1|2|3 strategy no doubt contributed. There are currently 860,000 1|2|3 accounts in Spain, of which 50,000 are SMEs. The strategy means that 237,000 clients have moved their payroll account to Santander from other financial institutions. 1|2|3 accounts are being opened at a rate of more than 100,000 per month and the goal is to end 2016 with two million accounts.

United Kingdom. The loan portfolio stood at EUR 277,718 at the close of 2015, with growth of 5% for the year, an 11% increase when converted to euros due to the appreciation of the pound. This performance is backed by financing to companies, which grew 10%; the mortgage business, up 2% and consumer and auto finance, which increased 42% in part due to the integration of PSA in the UK in February.

The volume of deposits and mutual funds in the United Kingdom reached EUR 231,960 million and grew for the year 6% in pounds and 13% in euros. The 1|2|3 strategy has attracted 4.6 million clients in less than three years.

This strategy has been key to growth in the business and Santander UK has consistently gained market share in recent years; increased net interest income, which has risen 22% in two years despite the low interest rate environment, and has improved client loyalty 63%.

Brazil. The loan portfolio reached EUR 63,636 million, with growth of 9% in local currency. The real's 25% depreciation in one year turns the increase in activity to a 19% drop with the conversion from reais to euros. 2015 activity reflects the change in the mix that began three years ago, with a decline in consumer finance, down 7%, and an increase in financing to companies and households. Financing to large corporates grew 14%, to mid-sized corporates, 11%, and to SMEs, 4%. Mortgages to retail customers grew 21%



As for customer funds, Brazil's total deposits and mutual funds were EUR 76,751 million, representing growth of 12% without the exchange rate effect, which becomes a decrease of 16% in euros. Total deposits remained stable and funds grew 24%.

Santander Brasil moved forward in its transformation process and set up a new commercial platform in 2015 which enables simplification and digitization of processes, resulting in improved customer experience.

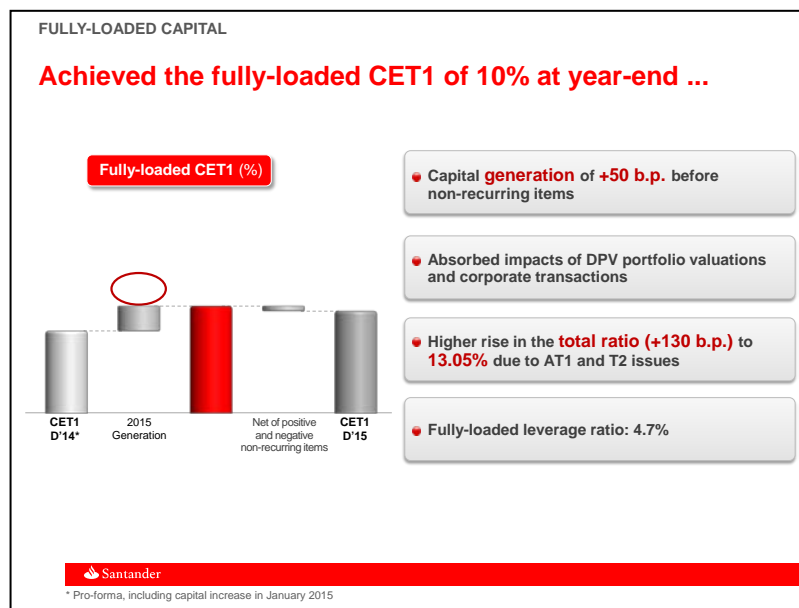
As for the rest of the Group's main countries, the United States grew 7% in credit year-on-year and 10% in customer funds; Mexico, 19% in credit and 9% in funds; Chile, 11% and 9%, respectively; Portugal improved 1% in credit and 4% in funds (excluding Banif); Poland increased credit 11% and funds 4%; and Argentina increased its loan portfolio 52% and client funds 60% (variations that are affected by strong inflation).

Lastly, Santander Consumer Finance, which groups the consumer finance business in continental Europe, grew deposits 6% and credit to customers 21%, which was boosted by the agreement with French group PSA.

The rate of NPLs, stood at 4.36% for the entire Group, with a decrease of 0.83 point for the year. NPLs fell in all markets except Brazil, which accounts for 8% of lending in the Group. The decrease in core markets is significant, the United Kingdom, Spain and Santander Consumer Finance, which represent, respectively, 36%, 20% and 9% of loans to customers. SCF registered the largest decrease, 1.4 points, to 3.4%; followed by Spain, with a drop of

0.85 point, to 6.53%, and the United Kingdom, which registered a decrease of 0.27 point, to 1.52%. Brazil grew 0.93 point for the year, to 5.98%. Nonetheless, Santander Brasil showed better performance than the industry in NPLs, thanks to the portfolio management carried out in recent years.

At year end, the Group had a volume of NPLs and doubtful loans of EUR 37,094 million, EUR 4,615 million less than at the close of 2014, for which it has EUR 27,121 million in provisions. This means that 73% of NPLs are provisioned, six points more than a year ago.



Capital

With regards to capital ratios, at the beginning of the year the bank carried out a rights issue of EUR 7,500 million via an accelerated bookbuilding offer to institutional investors. At the close of the fiscal year, Banco Santander's total eligible equity stood at EUR 84,346 million, and risk weighted assets were EUR 585,609 million. As a result, Santander has a CET1 capital ratio of 12.55%, 2.8 points more than the minimum required by the European Central Bank for 2016, which is 9.75%.

The CET1 fully loaded capital ratio, which assumes capital requirements that will be in force as of 1 January 2019, is 10.05%, 0.4 point more than one year ago. Reaching this capital ratio places the bank closer to its goal of exceeding 11% by 2018.



Along with the rights issue, the bank's board of directors announced its new dividend policy against fiscal year 2015, which consists of the payment of four dividends for EUR 0.05 per share, of which three will be paid in cash (August 2015, February and May, 2016) and one in shares or cash (October-November, 2015), per the shareholders choice.

Banco Santander has a market capitalization of more than EUR 60,000 million, making it the first bank in the euro zone. Santander has 3,573,277 shareholders and 193,863 employees serving over 117 million customers through 13,030 branches.

Más información en: www.santander.com

KEY CONSOLIDATED DATA

Balance sheet (€ million)	Dec'15	Sep'15	%	Dec'15	Dec'14	%	Dec'13
Total assets	1,340,260	1,320,427	1.5	1,340,260	1,266,296	5.8	1,134,128
Net customer loans	790,848	777,020	1.8	790,848	734,711	7.6	684,690
Customer deposits	683,122	669,236	2.1	683,122	647,628	5.5	607,836
Managed and marketed customer funds	1,075,565	1,045,513	2.9	1,075,565	1,023,437	5.1	946,210
Stockholders' equity	88,040	88,320	(0.3)	88,040	80,806	9.0	70,327
Total managed and marketed funds	1,506,520	1,479,841	1.8	1,506,520	1,428,083	5.5	1,270,042

Underlying income statement* (€ million)	4Q'15	3Q'15	%	2015	2014	%	2013
Net interest income	7,888	7,983	(1.2)	32,189	29,548	8.9	28,419
Gross income	10,894	11,316	(3.7)	45,272	42,612	6.2	41,920
Pre-provision profit (net operating income)	5,472	5,974	(8.4)	23,702	22,574	5.0	21,762
Profit before taxes	2,173	2,778	(21.8)	10,939	9,720	12.5	7,362
Attributable profit to the Group	1,460	1,680	(13.1)	6,566	5,816	12.9	4,175

Variations w/o exchange rate: Quarterly: Net interest income: +0.8%; Gross income: -1.7%; Pre-provision profit: -6.1%; Attributable profit: -10.5%
Year-on-year: Net interest income: +8.0%; Gross income: +5.6%; Pre-provision profit: +4.4%; Attributable profit: +9.4%

Underlying EPS, profitability and efficiency* (%)	4Q'15	3Q'15	%	2015	2014	%	2013
EPS ⁽¹⁾ (euro)	0.10	0.11	(14.4)	0.45	0.48	(7.0)	0.39
RoE ⁽²⁾	6.5	7.4		7.2	7.0		5.8
RoTE ⁽²⁾	9.8	11.3		11.0	11.0		9.6
RoA	0.5	0.6		0.6	0.6		0.4
RoRWA ⁽³⁾	1.1	1.3		1.3	1.3		
Efficiency ratio (with amortisations)	49.8	47.2		47.6	47.0		48.1

Solvency and NPL ratios (%)	Dec'15	Sep'15	%	Dec'15	Dec'14	%	Dec'13
CET1 fully-loaded ⁽²⁾⁽³⁾	10.05	9.85		10.05	9.65		
CET1 phase-in ⁽²⁾⁽³⁾	12.55	12.39		12.55	12.23		
NPL ratio	4.36	4.50		4.36	5.19		5.61
Coverage ratio	73.1	71.1		73.1	67.2		64.9

Market capitalisation and shares	Dec'15	Sep'15	%	Dec'15	Dec'14	%	Dec'13
Shares (million)	14,434	14,317	0.8	14,434	12,584	14.7	11,333
Share price (euros)	4.558	4.744	(3.9)	4.558	6.996	(34.8)	6.506
Market capitalisation (EUR million)	65,792	67,918	(3.1)	65,792	88,041	(25.3)	73,735
Book value (euro)	6.12	6.19		6.12	6.42		6.21
Price / Book value (X)	0.75	0.77		0.75	1.09		1.05
P/E ratio (X)	10.23	10.19		10.23	14.59		16.89

Other data	Dec'15	Sep'15	%	Dec'15	Dec'14	%	Dec'13
Number of shareholders	3,573,277	3,209,138	11.3	3,573,277	3,240,395	10.3	3,299,026
Number of employees	193,863	191,504	1.2	193,863	185,405	4.6	186,540
Number of branches	13,030	12,901	1.0	13,030	12,951	0.6	13,781

(*)- Excluding non-recurring capital gains and provisions (2015: -€600 million; 4Q'15: -€1,435 million).

(1).- Underlying EPS: Underlying attributable profit including the AT1 cost recorded in shareholders' equity / average number of shares for the period excluding treasury shares.

(2).- In 2014, pro-forma taking into account the January 2015 capital increase.

(3).- Due to applying the new CRD IV directive, the 2013 figure is not included because it is not homogeneous with the other figures.

Note: The financial information in this report has not been audited, but it was approved by the Board of Directors at its meeting on January, 26 2016, following a favourable report from the Audit Committee on January, 20 2016. The Audit Committee verified that the information for 2015 was based on the same principles and practices as those used to draw up the annual financial statements.