

07-04-2015

Current report no. 39/2015

Re: Information on Santander Dividendo Elección

With reference to current report No. 21/2015 dated 9 February 2015, Banco Santander, S.A. (the “**Company**” or “**Santander**”) hereby announces that, as envisaged in the above-mentioned current report, the “*Santander Dividendo Elección*” scheme will be implemented on the dates on which the final dividend is traditionally paid (with regard to the 2014 financial year, April/May 2015). Subject to the prior resolution of the Executive Committee of Santander, the “*Santander Dividendo Elección*” scheme will be implemented by means of a free-of-charge share capital increase, together with an irrevocable commitment of Santander to acquire, at a fixed price, the bonus share rights that are allotted to each shareholder of the Company (the “**Purchase Commitment**”). By virtue of the aforementioned free-of-charge share capital increase, each person whose shares in the Company are recorded in the account kept by Polish National Depository of Securities (*Krajowy Depozyt Papierów Wartościowych*) (the “**NDS**”) participants at the close of business on 13 April 2015 will receive a bonus share right for every share held. These rights will be listed on the Spanish Stock Exchanges during a 15-calendar-day period between 14 and 28 April 2015. Following the end of this period, the rights will automatically be converted into new shares of the Company pursuant to the conversion ratio to be determined by the Executive Committee of Santander on 10 April 2015. Within the exercise period set forth by the Company, each holder of shares of Santander may choose among the following alternatives: (i) to receive new Santander shares; (ii) to receive a cash payment by selling bonus share rights on the Spanish market; and (iii) to receive a cash payment substantially equivalent to the traditional dividend by accepting Santander’s Purchase Commitment and selling his/her/its bonus share rights received at the commencement of the trading period to the Company (or to another entity belonging to Santander Group).

The envisaged timeline for the implementation of the “*Santander Dividendo Elección*” scheme in Poland is as follows:

- 10 April 2015. Execution of the share capital increase. Information on the number of rights needed to receive one share and on the final price of the Purchase Commitment. Such price will be determined based on the price of the Santander shares on 1,2,7,8 and 9 April 2015.
- 13 April 2015 (11:59 p.m. CET). Record date for the assignment of the bonus share rights.
- 14 April 2015. Beginning of the trading period of the rights and of the period to accept the Santander’s Purchase Commitment.
- 22 April 2015¹. Deadline for the participants of the NDS to provide it with the information on the options chosen by Polish investors.
- 28 April 2015. End of the trading period of the bonus share rights on the Spanish Stock Exchanges. The rights of investors accepting the Santander’s Purchase Commitment are acquired by Santander Group.
- 4 May 2015 or about this date. Receipt of the cash option by the Polish investors (under both of the available cash options: sale for the guaranteed price and sale on the market)².
- 8 May 2015 or about this date. Delivery of the new shares to the Polish investors. First listing on the WSE.

Subject to the resolution of the Executive Committee of Santander, it is deemed that the gross price at which the Company will purchase the bonus share rights from the Santander’s shareholders, which will be

¹ Please note that this date is an expected deadline and it may be subject to changes after the date of this current report due to further arrangements between Euroclear Bank, the NDS and its participants. Polish investors are encouraged to contact the NDS participants that maintain their securities accounts in order to become familiar with the deadlines and procedures specifically applicable to them under the “*Santander Dividendo Elección*” scheme.

² Pursuant to the information provided to the Company by the NDS.

calculated pursuant to the formula approved by the ordinary general shareholders meeting of the Company held on 27 March 2015, will be approximately EUR 0.15 per right.

The resolution of the Executive Committee of Santander will determine the aggregate market value of the share capital increase, which, pursuant to the resolution of the ordinary general shareholders meeting of the Company dated 27 March 2015, may not exceed EUR 2,300 million.