



MATERIAL FACT

Further to the relevant fact communication dated January 12, 2015 (registry number 217,184), Banco Santander, S.A. ("**Banco Santander**") informs that the trading period for the free allotment rights corresponding to the free-of-charge capital increase by means of which the "Santander Dividendo Elección" program is carried out ended on January 28, 2015.

The holders of 83.73% of the free allotment rights have chosen to receive new shares. Thus, the definitive number of ordinary shares of 0.5 Euros of face value issued in the free-of-charge capital increase is 262,578,993, corresponding to 1.90% of the share capital, and the amount of the capital increase is 131,289,496.50 Euros. After the free-of-charge capital increase, the share capital amounts to 7,030,292,943 Euros represented by 14,060,585,886 ordinary shares of 0.5 Euros of face value each. The value of the remuneration corresponding to the holders of free allotment rights who have requested new shares amounts to 1,686,807,451.03 Euros.

The shareholders holding the remaining 16.27% of the free allotment rights have accepted the irrevocable undertaking to acquire free allotment rights assumed by Banco Santander. Consequently, Banco Santander has acquired 2,244,531,167 rights for a total gross consideration of 327,701,550.38 Euros. Banco Santander has waived the free allotment rights so acquired.

It is envisaged that the relevant authorisations for the admission to listing of the new shares in the Spanish Stock Exchanges will be granted on February 5, 2015, so that ordinary trading of such shares in Spain will commence on February 6, 2015. The authorisation for the admission to listing of those shares will also be requested on all other stock exchanges on which Banco Santander is listed.

Boadilla del Monte (Madrid), January 29, 2015