

MATERIAL FACT

In accordance with the provisions of the offering circulars dated 6 March 2014, 5 May 2014, 3 September 2014 and 19 April 2017 concerning, respectively, the issuances of contingent convertible preferred obligations with ISIN codes XS1043535092, XS1066553329, XS1107291541 and XS1602466424, and in light of the capital increase of Banco Santander, S.A. ("**Banco Santander**") with pre-emptive rights for its shareholders, announced by filing a material fact on 3 July and for which the subscription period has begun on 6 July, Banco Santander announces the amendment of the floor price for each of these issuances in application of the anti-dilution measures established in the abovementioned offering circulars.

The new floor prices for the purpose of the conversion have been set as follows:

- EUR 4.23 for the issuance with ISIN XS1043535092 (previously EUR 4.34).
- USD 6.395 for the issuance with ISIN XS1066553329 (previously USD 6.556).
- EUR 4.88 for the issuance with ISIN XS1107291541 (previously EUR 5.01).
- EUR 3.560 for the issuance with ISIN XS1602466424 (previously EUR 3.621).

Boadilla del Monte (Madrid), 27 July 2017