

## **MATERIAL FACT**

Further to the material fact communication dated October 16, 2018 (registry number 270,543), Banco Santander, S.A. ("**Banco Santander**") announces that the trading period for the bonus share rights corresponding to the capital increase with a charge to reserves (the "**Capital Increase**") through which the "Santander Dividendo Elección" scheme is carried out ended on November 1, 2018.

The holders of 76.55% of the bonus share rights have chosen to receive new shares. Thus, the definitive number of ordinary shares of 0.5 Euros of face value issued in the Capital Increase is 100,420,360, equivalent to 0.62% of the share capital, and the amount of the Capital Increase is 50,210,180 Euros. After the Capital Increase, the share capital amounts to 8,118,286,971 Euros represented by 16,236,573,942 ordinary shares of 0.5 Euros of face value each. The value of the compensation corresponding to the holders of bonus share rights who have requested new shares amounts to 432,309,649.80 Euros.

The shareholders holding the remaining 23.45% of the bonus share rights have accepted the irrevocable commitment to purchase bonus share rights assumed by Banco Santander. Consequently, Banco Santander has acquired 3,784,449,227 rights for a total gross consideration of 132,455,722.95 Euros. Banco Santander has waived the bonus share 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 November 13, 2018. As a result, ordinary trading of these shares will commence in Spain on November 14<sup>1</sup>. 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), November 6, 2018

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<sup>1</sup> Estimated date. Subject to the granting of the relevant authorisations.