



MATERIAL FACT

Banco Santander, S.A. hereby informs that its subsidiary Banco Santander (Brasil) S.A. has issued a material fact announcement in Brazil, whose content, translated into English, is reproduced hereafter. The effects on the Group of the content of such material fact announcement are estimated to be a positive contribution in the second quarter of 2015 of EUR 835 million to the attributable profit and +20 basis points on the CET1 capital fully loaded.

“Banco Santander (Brasil) S.A. hereby informs the market, following the information already published in its financial statements, that the Federal Supreme Court, in its plenary session held on May 28, 2015, has unanimously dismissed the Extraordinary Appeal lodged by the Federal Prosecution Service in relation to COFINS -Social Security Funding Contribution (Law no. 9.718/98) which aimed to change a ruling favourable to Banco Santander (Brasil) S.A. handed down by the Regional Federal Court.

In the light of this ruling by the Federal Supreme Court, Banco Santander (Brasil) S.A. shall revert the provisions allocated to cover legal contingencies for COFINS. The provisions are estimated to be BRL 4.8 billion net of tax.

Banco Santander (Brasil) S.A. also states that it will allocate complementary provisions of BRL 1.6 billion net of tax with the purpose of strengthening its balance sheet.

The aforementioned accounting effects shall be included in the financial statements as of June 30, 2015.”

Boadilla del Monte (Madrid), June 4, 2015