

MATERIAL FACT

Banco Santander, S.A. ("**Banco Santander**") informs that its board of directors, at the proposal of the appointments and the remunerations committees, resolved in a meeting held today not to proceed with the planned appointment of Mr. Andrea Orcel as Chief Executive Officer of the Group.

This decision is due to the change, after the discussions held, of the basis upon which the Board initially decided to appoint Mr. Orcel and the fact that the costs of compensating him for past remuneration cannot exceed those corresponding to the original understanding.

Mr. José Antonio Álvarez Álvarez will continue in the role of CEO of Santander Group and shall also serve as Vice Chairman of Banco Santander, and shall not serve as Chairman of Santander España.

Mr. Rodrigo Echenique Gordillo, who is due to retire from his current role as Chairman of Santander Spain in March, will remain until a successor is named, and shall continue to be Vice Chairman of Banco Santander.

After these decisions, the Vice Chairmen of Banco Santander shall be Mr. Bruce Carnegie Brown, Mr. Rodrigo Echenique Gordillo and Mr. José Antonio Álvarez Álvarez.

Boadilla del Monte (Madrid), 15 January 2019