

**Banco Santander, S.A.** (“**Banco Santander**”), in compliance with the Securities Market legislation, hereby communicates the following:

### **INSIDE INFORMATION**

Banco Santander informs of the expiration of the acceptance period of the exchange offers made for all the issued and outstanding Series B shares of Banco Santander México, S.A., Institución de Banca Múltiple, Grupo Financiero Santander México (the “**Santander Mexico Shares**” and “**Santander Mexico**”, respectively) and American Depositary Shares (each of which represents five Santander Mexico Shares) (the “**Santander Mexico ADSs**”) not held, directly or indirectly, by Banco Santander, which were formally launched in Mexico and the United States of America on 8 August 2019 (the “**Offers**”).

The results of the Offers have been as follows:

<b>Offer</b>	<b>Santander Mexico Shares tendered</b>	<b>% out of total number of shares to which the Offer was addressed</b>	<b>% of share capital of Santander Mexico</b>
<b>Offer in Mexico</b>	<b>657,117,286</b>	<b>39%</b>	<b>10%</b>
<b>Offer in US<sup>1</sup></b>	<b>475,050,788.535</b>	<b>28%</b>	<b>7%</b>
<b>Total</b>	<b>1,132,168,074.535</b>	<b>67%</b>	<b>17%</b>

Therefore, Grupo Santander’s shareholding in Santander Mexico will increase from 74.96% to 91.65% of its share capital as a result of the Offers, while the remaining 8.35% will remain held by minority shareholders or as treasury stock.

To satisfy the exchange Banco Santander will issue 381,540,640 new shares (the “**New Shares**”), which represent approximately 2.35% of Banco Santander’s share capital as of this date (that is, not including the New Shares yet), pursuant to the resolution passed by the extraordinary general shareholders’ meeting held on 23 July 2019. After the issuance of the New Shares, the share capital of Banco Santander will amount to 8,309,057,291 Euros and will be represented by 16,618,114,582 shares of 0.5 Euros of face value each.

It is envisaged that settlement of the Offers and, thus, delivery of the New Shares in exchange of the tendered Santander Mexico ADSs and Santander Mexico Shares will take place on 16 September and 17 September, respectively.

Boadilla del Monte (Madrid), 6 September 2019

---

<sup>1</sup> Including the Santander Mexico Shares underlying Santander Mexico ADSs.



### **Information for investors**

In connection with the exchange offer in the United States, Banco Santander filed with the U.S. Securities and Exchange Commission (the "**SEC**") a Registration Statement on Form F-4 and an offer to exchange/prospectus. Investors and security holders are urged to read the registration statement, offer to exchange/prospectus and all other relevant documents filed with the SEC regarding the exchange offer because they contain important information.

All such documents filed with the SEC are available free of charge at the SEC's website at [www.sec.gov](http://www.sec.gov) and from Santander Spain at [www.santander.com](http://www.santander.com).