



### **MATERIAL FACT**

Banco Santander, S.A. ("**Banco Santander**") informs that it has reached an agreement with the Aegon Group whereby such group will be the future insurance partner of Banco Santander in Spain in the businesses of life-risk and certain lines of general insurance, after the integration of Banco Popular Español, S.A. ("**Banco Popular**") into Banco Santander (the "**Agreement with Aegon**").

The Agreement with Aegon has been signed as a result of a process in which various insurance groups have participated. The final terms and scope under which the Agreement with Aegon will be implemented are subject to several conditions and to the process of termination of the alliance between Banco Popular and the Allianz Group in Spain. Therefore, it is not possible to determine at this stage what will be the result of such transactions. This notwithstanding, Banco Santander expects that their combined impact on the CET1 fully loaded capital and results of Banco Santander Group will not be material.

Boadilla del Monte (Madrid), 3 July 2018