

MATERIAL FACT

Banco Santander: Settlement of tender offer over the Polish entity Bank Zachodni WBK

Banco Santander, S.A. hereby announces that the acceptance period of its tender offer for the acquisition of shares representing 100% of the share capital of the Polish institution Bank Zachodni WBK ("BZ WBK") ended on Friday 25th March 2011, having commenced on 24th February 2011.

The tender offer forms part of Banco Santander's agreement with Allied Irish Banks ("AIB") to acquire its holding in BZ WBK, which was announced via the notification of a material fact on 10th September 2010.

According to information provided by the agent bank in the transaction, 69,912,653 BZ WBK shares have been tendered, representing 95.67% of BZ WBK's capital. Since the tender offer was made at a cash price of 226.89 PLN per share (approximately 57.05 euros), the purchase of the shares tendered in the offer will result in a payment of 15,862.48 million PLN (approximately 3,988.6 million euros).

Since the 70% acceptance threshold which was a condition of the tender offer has been exceeded and all the remaining conditions, including the obtaining of the appropriate regulatory authorizations, have been met, the tender offer will be settled and the transfer of the shares will be made on 1st April 2011.

Additionally, and also as already announced, Santander will acquire on the same date of 1st April 2011 AIB's 50% stake in the company BZ WBK Asset Management for 150 million euros in cash.

The transaction generates goodwill of approximately 2,480 million euros for Grupo Santander, of which 2,360 million correspond to the shares of BZ WBK and the remainder, to the acquisition of 50% of BZ WBK Asset Management.

Boadilla del Monte (Madrid), 29th March 2011