



## **MATERIAL FACT**

Banco Santander, S.A. ("Santander") announces the results it has obtained in the latest stress test exercise carried out by the European Banking Authority (EBA) and the European Central Bank (ECB).

The exercise covered a three-year period (end of 2017 – end of 2020), with two scenarios (baseline and adverse) applied to the entire consolidated perimeter of the Santander Group.

Santander's results were as follows:

- Under the adverse scenario, Santander Group's *fully loaded* CET1 ratio (i.e. including the full impact of CRR/CRD and IFRS 9) would decrease by 1.41 percentage points to 9.20% as of 31 December 2020, from the starting point of 10.61% as of 31 December 2017. Under the same scenario, the Group's *phased-in* CET1 ratio (i.e. adopting the CRR/CRD and IFRS 9 transitional arrangements) would decrease by 2.59 percentage points to 9.72% as of 31 December 2020, from the starting point of 12.31%.
- Under the baseline scenario, Santander Group's *fully loaded* CET1 ratio (i.e. including the full impact of CRR/CRD and IFRS 9 and without adopting the CRR/CRD and IFRS 9 transitional arrangements) would increase by 3.26 percentage points to 13.87% as of 31 December 2020. Under the same scenario, the *phased-in* CET1 ratio (i.e. adopting the CRR/CRD and IFRS 9 transitional arrangements) would increase by 1.76 percentage points to 14.07%.

Boadilla del Monte (Madrid), 2 November 2018