

Banco Santander, S.A., ("Santander") in accordance with the provisions of the securities market legislation, communicates the following:

INSIDE INFORMATION

The results of the Supervisory Review and Evaluation Process ("**SREP**") have now been confirmed and Santander has been informed by the European Central Bank ("**ECB**") of its decision regarding the minimum prudential capital requirements effective as of 1 January 2023.

The ECB's decision establishes a Pillar 2 requirement ("**P2R**") of (i) of 1.58% at a consolidated level (which entails an increase of 8 basis points with respect to the last SREP decision effective on 1 March 2022, due to the ECB's prudential expectations on calendar provisioning in connection with non-performing loans), of which at least 0.89% must be covered with Common Equity Tier 1 capital ("**CET1**"); and (ii) of 1.50%, at an individual level, of which at least 0.84% must be covered with CET1, this remaining unchanged from the last SREP decision effective on 1 March 2022.

The minimum requirement ratio of CET1 at consolidated level consists of: (a) the Pillar 1 requirements, (b) P2R, (c) the capital conservation buffer, (d) the requirement derived from the consideration of Santander as a global systemic financial institution, and (e) the countercyclical capital buffer. The following table shows the minimum CET1 and total capital requirements, as well as Santander's such phased-in¹ ratios as of 30 September 2022, both at a consolidated and an individual level.

	MINIMUM REQUIREMENT		DATA AS OF 30/09/2022	
	Consolidated	Individual	Consolidated	Individual
CET1	8.91% ²	7.85%	12.24% ¹	15.98%
CAPITAL TOTAL	13.11% ³	12.01% ³	16.18% ¹	20.95%

As described in the table above, Santander maintains a surplus of capital over these requirements, both at a consolidated and an individual level. Therefore, these capital requirements do not imply any limitation to the distribution or payment to the holders of Santander's *Additional Tier 1* securities.

Boadilla del Monte (Madrid), 22 December 2022

¹ Data calculated by applying the transitional provisions of the applicable regulation, of which the most significant are those related to IFRS 9. Without the application of these provisions, the *fully loaded* CET1 ratio and the consolidated total capital, at 30 September 2022, would be 12.10% and 16.00%, respectively.

² The minimum requirement ratio of CET1 at consolidated level consists of: (a) the minimum capital requirement of Pillar 1 (4.50%), (b) P2R (0.89%), (c) the capital conservation buffer (2.50%), (d) the requirement arising from the consideration of Santander as a global systemic financial institution (1%), and (e) the countercyclical capital buffer requirement (0.0253%), calculated as of 30 September 2022.

³ In addition to the CET1 requirements, the minimum total capital requirements at both consolidated and individual level include: (i) Pillar 1 requirements of Additional Tier 1 (1.5%) and Tier 2 (2%), and (ii) part of the P2R requirements that can be covered by Additional Tier 1 and Tier 2 (0.30% and 0.40%, respectively, at a consolidated level, and 0.28% and 0.38% respectively at an individual level).

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