

Banco Santander, S.A., in compliance with the Securities Market legislation, hereby communicates the following:

RELEVANT INFORMATION

Banco Santander, S.A. ("**Santander**") has been informed by the European Central Bank ("**ECB**") about its decision regarding the prudential minimum capital requirements as of 1 January 2020, following the results of the Supervisory Review and Evaluation Process (SREP).

The ECB decision requires Santander to maintain a Common Equity Tier 1 ("**CET1**") ratio of at least 9.7%¹ on a consolidated basis. Santander's last reported consolidated fully loaded CET1 ratio, as of 30 September 2019, was 11.3%².

This CET1 capital requirement of 9.7% includes: the Pillar 1 requirement (4.5%); the Pillar 2 requirement (1.5%); the capital conservation buffer (2.5%); the requirement deriving from its consideration as a global systemic financial institution (1%); and the counter-cyclical buffer (0.2%³).

On an individual basis the ECB requires Santander to maintain a CET1 ratio of at least 8.6%¹. Santander's individual fully loaded CET1 ratio as of 30 September 2019 was 17.5%².

Including the minimum Pillar 1 requirement of Additional Tier 1 (1.5%) and Tier 2 (2%), Santander is required to maintain a total capital ratio of at least 13.2%¹ on a consolidated basis and 12.1%¹ on an individual level. Santander's last reported total fully loaded capital ratios, as of 30 September 2019, were 14.7%² and 21.8%² on a consolidated and individual basis, respectively.

Taking into account Santander's consolidated and individual current capital levels, these capital requirements do not imply any limitations on distributions in the form of dividends, variable remuneration or payments to holders of Additional Tier 1 instruments issued by Santander.

Boadilla del Monte (Madrid), December 11, 2019

¹ Note that the applicable transitional periods under Regulation (EU) 575/2013 have expired and as a consequence that from the 1 January 2019, the capital requirements criteria commonly known as fully-loaded and phased-in requirements are the same.

² Data calculated applying the IFRS 9 transitional arrangements.

³ This requirement mainly comes from the business performed by the Group in the United Kingdom and the Nordics and depends on Santander's exposures towards the countries where countercyclical buffer rates are set, therefore it may vary on a quarterly basis.