

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

INSIDE INFORMATION

Santander has been informed by the European Central Bank ("**ECB**"), after following its Supervisory Review and Evaluation Process ("**SREP**"), of its decision regarding the minimum prudential capital requirements effective as of 1 January 2024.

The ECB's decision establishes a Pillar 2 requirement ("**P2R**") of 1.74% at a consolidated level of which at least 0.98% must be covered with Common Equity Tier 1 capital ("**CET1**"). The revised P2R entails an increase of 16 basis points over the previous decision, of which (i) 15 basis points are due to a methodological change in the determination of the P2R by the ECB, and (ii) 1 basis point reflects the increase of the capital add-on due to the ECB's prudential expectations on calendar provisioning in connection with non-performing loans.

The following table shows the minimum CET1 and total capital requirements applicable at the consolidated level as of 1 January 2023 and as of 1 January 2024, as well as Santander's ratios¹ as of 30 September 2023:

	Minimum Requirement		Data
	As of 01/01/2023	As of 01/01/2024	As of 30/09/2023
CET1	8.91%	9.60% ²	12.35%
Total Capital	13.11%	13.86% ³	16.31%

As described in the table above, Santander maintains a surplus of capital over these requirements, both in CET1 and total capital terms.

Boadilla del Monte (Madrid), 11 December 2023

¹ Phased-in ratios.

² The minimum requirement ratio of CET1 at consolidated level consists of: (a) the minimum capital requirement of Pillar 1 (4.50%), (b) P2R (0.98%), (c) the capital conservation buffer (2.50%), (d) the requirement arising from the consideration of Santander as Other Systemically Important Institution ("**OSII**"), which has been fixed for 2024 by the *Banco de España* (1.25%), and (e) the countercyclical capital buffer requirement (0.3693%), calculated as of 30 September 2023. With respect to the minimum requirement applicable as of 01/01/2023, variations are given in the items listed in limbs (b), (d) and (e), whose values were 0.89%, 1% and 0.02530%, respectively, as they were disclosed in the inside information filing dated 22 December 2022.

³ In addition to the CET1 requirement, the minimum total capital requirement at consolidated level includes: (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 (0.33% y 0.44%, respectively). With respect to the minimum requirement applicable as of 01/01/2023, variations are given in the CET1 minimum requirement, as specified in the previous footnote, and in the items listed in limb (ii), whose values were 0.30% and 0.40% respectively, as published in the inside information filing dated 22 December 2022.



IMPORTANT INFORMATION

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