

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 March 2022.

The ECB's decision establishes a Pillar 2 ("**P2R**") requirement of 1.50%, at an individual and a consolidated level, of which at least 0.84% must be covered with Common Equity Tier 1 capital ("**CET1**"). This requirement remains unchanged from the last SREP decision effective on 1 January 2020.

The P2R requirement, when added to the Pillar 1 requirements, the capital conservation buffer, the requirement derived from the consideration of Santander as a global systemic financial institution, and the countercyclical capital buffer, determines the total minimum prudential capital requirements. The following table shows the minimum CET1 capital and total capital requirements, as well as Santander's ratios as of 31 December 2021, on a *phased-in* basis: ¹

	MINIMUM REQUIREMENT		Data as of 31/12/2021	
	Consolidated	Individual	Consolidated	Individual
CET1	8.85% ²	7.85%	12.51% ¹	16.90% ¹
CAPITAL TOTAL	13.01% ³	12.01% ³	16.81% ¹	22.21% ¹

As described in the table above, Santander maintains a surplus of capital over these requirements, both at a consolidated and an individual level. 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), 3 February 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 31 December 2021, would be 12.12% and 16.41%, 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 (0.84%), (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 (0.01%), calculated as of 31 December 2021.

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* (0.28%) and (0.38%), respectively.

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