LISTING PROSPECTUS DATED 17 NOVEMBER 2022

U.S.$25,000,000,000

U.S. COMMERCIAL PAPER PROGRAM

issued by

BANCO SANTANDER, S.A.

THIS LISTING PROSPECTUS IS NOT AN OFFERING DOCUMENT. IT HAS BEEN PREPARED FOR LISTING PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER TO PURCHASE NOTES. Application has been made to Euronext Dublin for U.S. commercial paper notes (the Notes, as further defined below) issued during the twelve months after the date of this document under the U.S.$25,000,000,000 U.S. commercial paper program (the "**Program**") of Banco Santander, S.A. ("**Santander**", "**Banco Santander**", the "**Bank**" or the "**Issuer**") described in this document to be admitted to the official list of Euronext Dublin (the "**Official List**") and to trading on its regulated market.

There are certain risks related to any issue of Notes under the Program, which investors should ensure they fully understand (see "Risk Factors" on pages 8 – 76 of this Listing Prospectus).

Potential purchasers should note the statements in "Taxation" starting on page 139 of this Listing Prospectus regarding the tax treatment in Spain of income obtained in respect of the Notes and the disclosure requirements imposed by Law 10/2014, of 26 June, on organization, supervision and solvency of credit institutions ("**Law 10/2014**"), on Banco Santander relating to the Notes. In particular, income on the Notes will be subject to Spanish withholding tax if certain information relating to the Notes is not received in a timely manner by Banco Santander.

IMPORTANT NOTICE

This Listing Prospectus (together with any supplementary Listing Prospectus and any documents incorporated by reference, the "**Listing Prospectus**") contains summary information provided by Banco Santander in connection with the Program under which Banco Santander may issue and have outstanding at any time Notes up to a maximum aggregate amount of U.S.$25,000,000,000.

Banco Santander accepts responsibility for the information contained in this Listing Prospectus. To the best of the knowledge of Banco Santander (who has taken all reasonable care to ensure that such is the case), the information contained in this Listing Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each series of the Notes will be issued pursuant to the Master Note (as defined herein and the Form of which is included in this Listing Prospectus). The aggregate principal amount of each issuance of Notes, the issue price of each series of Notes and any other terms and conditions not contained herein which are applicable to each series of Notes (the "**Final Terms**") will be set out in the records of Banco Santander (the "**Underlying Records**"), as maintained by The Bank of New York Mellon, London Branch as issuing and paying agent (the "**Issuing and Paying Agent**"). Copies of each Final Terms containing details of each particular issue of Notes will be available from the specified office set out below of the Issuing and Paying Agent and through the electronic Note information systems operated by the Issuing and Paying Agent.

Banco Santander has confirmed that the information contained or incorporated by reference in this Listing Prospectus is true, accurate and complete in all material respects and is not misleading and there are no other facts in relation thereto the omission of which would in the context of the Program or the issue of the relevant Notes make any statement in this Listing Prospectus misleading in any material respect, and all reasonable inquiries have been made to verify the foregoing and the opinions and intentions expressed therein are honestly held.

Banco Santander does not accept any responsibility, express or implied, for updating the Listing Prospectus. The Listing Prospectus is not an offering document. It has been prepared for listing purposes only and does not constitute an offer to purchase Notes. Neither the delivery of the Listing Prospectus nor any offer or sale made on the basis of the information in the Listing Prospectus shall under any circumstances create any implication that the Listing Prospectus is accurate at any time subsequent to the date thereof with respect to Banco Santander, or that there has been no change in the business, financial condition or affairs of Banco Santander since the date thereof.

No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Listing Prospectus or any other information provided by Banco Santander in connection with the Program.

This Listing Prospectus comprises listing particulars made pursuant to the Listing and Admission to Trading Rules for Short Term Paper promulgated by Euronext Dublin. This Listing Prospectus should be read and construed with any supplementary Listing Prospectus, any Final Terms and with any other document incorporated by reference.

Banco Santander has not authorized the making or provision of any representation or information regarding the Notes or Banco Santander and the companies whose accounts are consolidated with those of Banco Santander (together, the "**Group**"), other than as contained or incorporated by reference in this Listing Prospectus or in any other document prepared in connection with the Program or in any Final Terms or as approved for such purpose by Banco Santander. Any such representation or information should not be relied upon as having been authorized by Banco Santander.

The information contained in the Listing Prospectus or any Final Terms is not and should not be construed as a recommendation by Banco Santander that any recipient should purchase Notes. Each such recipient must make and shall be deemed to have made its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Program and of Banco Santander as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Listing Prospectus or any Final Terms.

This Listing Prospectus does not, and is not intended to, constitute (nor will any Final Terms constitute, or be intended to constitute) an offer or invitation to any person to purchase Notes. The distribution of this Listing Prospectus and any Final Terms and the offering for sale of Notes or any interest in such Notes or any rights in respect of such Notes, in certain jurisdictions, may be restricted by law. Persons obtaining this Listing Prospectus, any Final Terms or any Notes or any interest in such Notes or any rights in respect of such Notes are required by Banco Santander to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Notes and on distribution of this Listing Prospectus and other information in relation to the Notes, that Banco Santander set out below.

Product Governance under Directive 2014/65/EU (as amended)

The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

In particular, solely by virtue of its appointment as Dealer, as applicable, neither the Dealer nor any of their respective affiliates will be a manufacturer for the purposes of the MiFID Product Governance rules under the EU Delegated Directive 2017/593.

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY OTHER APPLICABLE SECURITIES LAW, AND OFFERS AND SALES THEREOF MAY BE MADE ONLY IN COMPLIANCE WITH AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. BY ITS ACCEPTANCE OF A

NOTE, THE PURCHASER WILL BE DEEMED TO REPRESENT THAT (I) IT HAS BEEN AFFORDED AN OPPORTUNITY TO INVESTIGATE MATTERS RELATING TO BANCO SANTANDER AND THE NOTES, (II) IT IS NOT ACQUIRING SUCH NOTE WITH A VIEW TO ANY DISTRIBUTION THEREOF AND (III) IT IS EITHER (A)(1) AN INSTITUTIONAL INVESTOR THAT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(a) UNDER THE ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR") THAT IS (2)(i) PURCHASING NOTES FOR ITS OWN ACCOUNT, (ii) A BANK (AS DEFINED IN SECTION 3(a)(2) OF THE ACT) OR A SAVINGS AND LOAN ASSOCIATION OR OTHER INSTITUTION (AS DEFINED IN SECTION 3(a)(5)(A) OF THE ACT) ACTING IN ITS INDIVIDUAL OR FIDUCIARY CAPACITY OR (iii) A FIDUCIARY OR AGENT (OTHER THAN SUCH BANK, SAVINGS AND LOAN ASSOCIATION OR OTHER INSTITUTION) PURCHASING NOTES FOR ONE OR MORE ACCOUNTS EACH OF WHICH ACCOUNTS IS SUCH AN INSTITUTIONAL ACCREDITED INVESTOR; OR (B) A QUALIFIED INSTITUTIONAL BUYER ("QIB") WITHIN THE MEANING OF RULE 144A UNDER THE ACT THAT IS ACQUIRING NOTES FOR ITS OWN ACCOUNT OR FOR ONE OR MORE ACCOUNTS, EACH OF WHICH ACCOUNTS IS A QIB; AND THE PURCHASER ACKNOWLEDGES THAT IT IS AWARE THAT THE SELLER MAY RELY UPON THE EXEMPTION FROM THE REGISTRATION PROVISIONS OF SECTION 5 OF THE ACT PROVIDED BY RULE 144A. BY ITS ACCEPTANCE OF A NOTE, THE PURCHASER THEREOF SHALL ALSO BE DEEMED TO AGREE THAT ANY RESALE OR OTHER TRANSFER THEREOF WILL BE MADE ONLY (A) IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE ACT, EITHER (1) TO (i) BANCO SANTANDER OR (ii) TO A PERSON DESIGNATED BY BANCO SANTANDER AS A DEALER FOR THE NOTES (COLLECTIVELY, THE "DEALERS"), NONE OF WHICH SHALL HAVE ANY OBLIGATION TO ACQUIRE SUCH NOTE, (2) THROUGH A DEALER TO AN INSTITUTIONAL ACCREDITED INVESTOR OR A QIB, OR (3) TO A QIB IN A TRANSACTION THAT MEETS THE REQUIREMENTS OF RULE 144A AND (B) IN AN AUTHORIZED DENOMINATION OF U.S.$200,000 OR AN INTEGRAL MULTIPLE THEREOF.

THE NOTES ARE ISSUED IN AN AUTHORIZED DENOMINATION OF U.S.$200,000, AND MAY NOT BE ALLOCATED, SUB-ALLOCATED OR TRANSFERRED IN ANY AMOUNT OTHER THAN IN SUCH AUTHORIZED DENOMINATION OF U.S.$200,000 AND INTEGRAL MULTIPLES THEREOF. THE NOTES MUST NOT BE OFFERED, DISTRIBUTED OR SOLD IN SPAIN IN THE PRIMARY MARKET.

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (the "**SEC**"), ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE NOTES OR THE ACCURACY OR ADEQUACY OF THIS LISTING PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

BY ITS PURCHASE OF A NOTE, THE PURCHASER REPRESENTS AND AGREES THAT (I) IT HAS KNOWLEDGE AND EXPERIENCE (OR IS A FIDUCIARY OR AGENT WITH SOLE INVESTMENT DISCRETION HAVING SUCH KNOWLEDGE AND EXPERIENCE) IN FINANCIAL AND BUSINESS MATTERS AND IT (OR SUCH FIDUCIARY OR AGENT) IS CAPABLE OF EVALUATING THE MERITS AND RISKS OF INVESTING IN THE NOTES; (II) IT HAS HAD ACCESS TO SUCH INFORMATION AS THE PURCHASER DEEMS NECESSARY IN ORDER TO MAKE AN INFORMED INVESTMENT DECISION; (III) ALTHOUGH A DEALER MAY REPURCHASE NOTES, THE DEALER IS NOT OBLIGATED TO DO SO, AND ACCORDINGLY, THE PURCHASER SHOULD BE PREPARED TO HOLD SUCH NOTE UNTIL MATURITY; (IV) IT HAS HAD THE OPPORTUNITY TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM BANCO SANTANDER; (V) IT ACKNOWLEDGES THAT THE DEALER HAS NOT VERIFIED ANY OF THE INFORMATION CONTAINED OR REFERRED TO IN THIS LISTING PROSPECTUS AND MAKES NO REPRESENTATION OF ANY KIND AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION; AND (VI) IT UNDERSTANDS THAT EACH NOTE WILL BEAR A LEGEND SUBSTANTIALLY AS SET FORTH IN BOLD CAPITAL LETTERS ABOVE.

NOTICE REGARDING SPANISH TAX

Potential purchasers should note the statements starting on page 139 regarding the tax treatment in Spain of income obtained in respect of the Notes and the disclosure requirements imposed by Law 10/2014 of 26 June 2014, on Banco Santander relating to the Notes. In particular, payments on the Notes will be subject to Spanish withholding tax if certain information regarding the Notes is not received by Banco Santander in a timely manner.

As explained in "Taxation—Spanish Tax Considerations—Information about the Notes in Connection with Payments", Banco Santander is required to provide certain information regarding the Notes to the Spanish Tax Authorities. Banco Santander will withhold Spanish withholding tax from any payment in respect of any outstanding principal amount of the Notes as to which the required information has not been provided.

Under Spanish Law 10/2014 and Royal Decree 1065/2007, of 27 July, as amended by Royal Decree 1145/2011, of 29 July ("**Royal Decree 1065/2007**"), income payments in respect of the Notes will be made without withholding tax in Spain if the required information relating to the Notes is provided by the Issuing and Paying Agent. Banco Santander is required pursuant to Spanish law to provide certain information regarding the Notes to the Spanish tax authorities.

This information must be obtained with respect to each Payment Date, as defined below, by 8:00 PM (New York time) on the New York Business Day immediately preceding such Payment Date and filed by Banco Santander with the Spanish tax authorities on an annual basis. A "**Payment Date**" will be any interest payment date, any early redemption date and any maturity date, as applicable, for any Notes.

Banco Santander and the Issuing and Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Notes. If, despite these procedures, the relevant information is not received by Banco Santander as of each Payment Date, Banco Santander may be required to withhold tax at the then-applicable rate from any payment in respect of the outstanding principal amount of the Notes. The Spanish withholding tax rate applicable to certain Spanish source income (such as income derived from the Notes) for the 2022 tax period is 19 per cent. Subject to certain exceptions, in the event that Banco Santander is required to withhold from any payment in respect of Spanish taxes, Banco Santander will pay such additional amounts as will result in receipt by the holders of Notes (the "**Noteholders**") of such amount as would have been received by them had no such withholding been required.

The Third Amended and Restated Issuing and Paying Agency Agreement provides that the Issuing and Paying Agent will, to the extent applicable, comply with the relevant procedures to facilitate the collection of information concerning the Notes. The procedures, may be modified, amended or supplemented, to, among other reasons, reflect a change in applicable Spanish law, regulation, ruling or interpretation thereof or to reflect a change in applicable clearing system rules or procedures or to add procedures for one or more new clearing systems. See "Taxation—Spanish Tax Considerations—Information about the Notes in Connection with Payments". Neither Banco Santander nor the Dealers assume any responsibility therefor.

Interpretation

In the Listing Prospectus, references to "**U.S. Dollars**" and "**U.S.$**" are to United States dollars; references to "**euros**", "**EUR**" and "**€**" refer to the single currency of participating member states of the European Union (the "**EU**"), references to "**Sterling**", "**GBP**" and "**£**" are to pounds sterling and references to "**R$**" are to the Brazilian Real.

Where the Listing Prospectus refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

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RISK FACTORS

*Banco Santander (the "**Bank**") believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Program. Most of these factors are contingencies which may or may not occur and the Bank is not in a position to express a view on the likelihood of any such contingency occurring.*

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

The Bank believes that the factors described below represent the principal risks inherent in investing in the Notes issued under the Program, but the inability of the Bank to pay any amounts due on or in connection with any Notes may occur for other reasons and the Bank does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in, or incorporated by reference into, this Listing Prospectus and reach their own views prior to making any investment decision. Words and expressions defined in the "Form of Master Note" below or elsewhere in this Listing Prospectus have the same meanings in this "Risk Factors" section.

*Any reference throughout the risks factors to "**we**", "**our**" and "**us**" will also refer to the Bank and its Group.*

Macro-Economic and Political Risks

The growth, asset quality and profitability of the Group, among others, may be adversely affected by a slowdown in one or more of the economies in which the Group operates, as well as volatile macroeconomic and political conditions.

A slowdown or recession of one or more of the economies in which the Group operates, such as the severe recession faced by most world economies as a result of covid-19 during 2020, could lead major financial institutions, including some of the world's largest global commercial banks, investment banks, mortgage lenders, mortgage guarantors and insurance companies to experience significant difficulties, including runs on deposits, the need for government aid or assistance or the need to reduce or cease providing funding to borrowers (including to other financial institutions).

Volatile conditions in the global financial markets could also have a material adverse effect on the Group, including on the ability of the Group to access capital and liquidity on financial terms acceptable to the Group, if at all. If capital markets financing ceases to become available, or becomes excessively expensive, the Group may be forced to raise the rates paid on deposits to attract more customers and become unable to maintain certain liability maturities. Any such increase in capital markets funding availability or costs or in deposit rates could have a material adverse effect on its interest margins and liquidity.

In particular, the Group faces, among others, the following risks related to the economic downturn and volatile conditions:

- Reduced demand for its products and services.
- Increased regulation of its industry. Compliance with such regulation will continue to increase the costs of the Group and may affect the pricing for its products and services, increase its conduct and regulatory risks related to non-compliance and limit its ability to pursue business opportunities.
- Inability of its borrowers to timely or fully comply with their existing obligations. Macroeconomic shocks may negatively impact the income of its customers, both retail and corporate, and may adversely affect the recoverability of its loans, resulting in increased loan losses.
- The process the Group uses to estimate losses inherent in its credit exposure requires complex judgements, including forecasts of economic conditions and how these economic conditions might impair the ability of its borrowers to repay their loans. The degree of uncertainty concerning economic conditions may adversely affect the accuracy of the Group's estimates, which may, in turn, impact the reliability of the process and the sufficiency of its loan loss allowances.
- The value and liquidity of the portfolio of investment securities that the Group holds may be adversely affected.

The recoverability of the loan portfolios of the Group and its ability to increase the amount of loans outstanding and its results of operations and financial condition in general, are dependent to a significant extent on the level of economic activity in Europe (in particular, Spain and the UK), North America and South America. The credit quality of its loan portfolio may deteriorate and its loan loss reserves could be insufficient to cover its loan losses, which could have a material adverse effect on the Group.

In addition, the Group is exposed to sovereign debt in these regions. The Group's net exposure to sovereign debt at 31 December 2021 amounted to EUR 119,020 million (7.5% of its total assets at that date) of which the main exposures in the eurozone relate to Spain and Portugal with net exposure of EUR 19,557 million and EUR 6,544 million, respectively. In North America, the main exposures relate to Mexico and the US (EUR 13,509 and EUR 22,469 million, respectively) and in South America to Brazil (EUR 28,559 million). Recessionary conditions in the economies of Europe (in particular, Spain and the UK), North America or some of the South American countries in which it operates, would likely have a significant adverse impact on its loan portfolio and sovereign debt holdings and, as a result, on its financial condition, cash flows and results of operations.

The revenues of the Group are also subject to risk of deterioration from unfavourable political and diplomatic developments, social instability, international conflicts, and changes in governmental policies, including expropriation, nationalization, international ownership legislation, sanctions, interest-rate caps, fiscal and monetary policies globally.

For the year ending 31 December 2021, 28% of the underlying profit attributable to Banco Santander came from Europe (of which 9% was from Spain and 15% from the United Kingdom), 31% from South America (22% from Brazil), 29% from North America (22% from the United States and 8% from Mexico) and 12% from the Digital Consumer Bank segment (primarily Europe). As of 31 December 2021, the Group's total assets stood at 59% in Europe (23% in Spain and 21% in the United Kingdom), 16% in South America (10% in Brazil), 15% in North America (10% in the United States and 5% in Mexico) and 10% in the Digital Consumer Bank segment (primarily Europe).[1]

In particular, the main regions where the Group operates are subject to the following macroeconomic and political conditions, which could have a material adverse effect on its business, results of operations, financial condition and prospects:

- Governmental and regulatory authorities throughout the world, particularly in Europe and the United States, have implemented fiscal and monetary policies and initiatives in response to the adverse effects of the covid-19 pandemic on the economy, individual businesses and households. These fiscal and monetary policy measures accelerated the economic recovery in 2021 but in turn significantly increased public debt and introduced risks of economic overheating in certain countries. In 2022, inflationary pressures intensified due to a number of factors, including the revitalization of demand for consumer goods, labour shortages, supply chain issues and the rise of the prices of energy, oil, gas and other commodities exacerbated by the military conflict between Russia and Ukraine. In an effort to contain inflation, central banks have increased interest rates contributing to a slowdown of the global economy. Among the risks that could negatively affect the economies and financial markets of the regions where the Group operates and lead to a further slowdown of the global economy and stagflation are (i) the continuance or escalation of the conflict between Ukraine and Russia; (ii) further increases in the prices of energy and other commodities that can lead to further inflationary pressures; (iii) the continued breakdown of global supply chains; and (iv) the tightening of monetary and fiscal policies.
- The risk of returning to a fragile and volatile environment and to heightened political tensions in Europe exists if, among others, the policies implemented to provide emergency assistance and support in Ukraine and the EU countries, alleviating the consequences of the war, to provide relief to the economies most affected by the covid-19 pandemic do not succeed, the reforms aimed at improving productivity and competition fail, the banking union and other measures of European integration do not take hold or anti-European groups become more widespread. A deterioration of the economic and financial environment in Europe could have a material adverse impact on the financial sector, affecting the Group's operating results, financial position and prospects.

[1] Percentages calculated using as denominator the underlying profit of total operating areas (i.e., without considering the (2,037) million euros underlying profit accounted for in the Corporate Center resulting from centralized management of the areas) and the total assets of total operating areas (i.e., without considering 215,470 million euros total assets accounted for in the Corporate Center and without intra-group eliminations).

- China's deceleration based on structural low economic growth coupled with real estate distress and slow population growth could negatively affect the world economy which would also impact its operating results, financial condition and prospects.

- The economies of some of the countries where the Group operates, particularly in Latin America, have experienced significant volatility in recent decades. This volatility resulted in fluctuations in the levels of deposits and in the relative economic strength of various segments of the economies to which the Group lends. In addition, some of the countries where the Group operates are particularly affected by commodities price fluctuations, which in turn may affect financial market conditions through exchange rate fluctuations, interest rate volatility and deposits volatility. In addition, the Group is exposed to variations in its net interest income or in the fair value of its assets and liabilities resulting from exchange rate fluctuations. In particular, the fiscal instability and political tensions in Brazil and Mexico, and the financial volatility in Argentina could have a negative impact on the economy of these countries and may have a material adverse effect on the Group.

The global covid-19 pandemic has materially impacted the Group's business, and the continuance of this pandemic or any future outbreak of any other highly contagious diseases or other public health emergency, could materially and adversely impact the Group's business, financial condition, liquidity and results of operations.

Health and safety restrictions adopted in 2020 to contain the impact of the covid-19 pandemic, including imposing mass quarantines, shelter-in-place orders, medical screenings travel restrictions and limiting public gatherings, resulted and may continue to result in a severe decrease of global economic activity and decreases in production and demand, which led to sharp declines in the gross domestic product (GDP) of those countries which were most affected by the pandemic, mainly in Europe (including Spain and the UK), Latin America and North America (the United States). Other consequences included increased unemployment levels, sharp decreases and high volatility in the stock markets, disruption of global supply chains, exchange rate volatility, steady customer draws on lines of credit, decline in real estate prices, and uncertainty in relation to the future impact in regional and global economies in the medium and long term. These measures also negatively impacted, and could continue to negatively impact, businesses, market participants, the Group's counterparties and clients, and the global economy for a prolonged period of time.

Many governments and regulatory authorities, including central banks, acted, and may further act, to provide relief from the economic and market disruptions resulting from the covid-19 pandemic, including providing fiscal and monetary stimuli to support the global economy, lowering federal funds rates and interest rates, and granting partial or total deferral (grace period) of principal and/or interest payments due on loans. Furthermore, it is unclear how the macroeconomic business environment or societal norms may be impacted after the pandemic. The post-covid-19 environment may undergo unexpected developments or changes in the financial markets, fiscal, tax and regulatory environments as well as customer and corporate client behaviour which could have an adverse impact on the Group's business.

In 2021, high vaccination rates in many countries and a progressive relaxation of health and safety restrictions, together with the fiscal and monetary policy measures implemented, have contributed to an increase in employment levels and recovery of the global economy generally, with some variations across sectors and geographies. However, the pandemic remains dynamic and the emergence of variants resistant to existing vaccines remains uncertain. In addition, certain adverse consequences of the pandemic continue to impact the macroeconomic environment and may persist for some time, including labour shortages and disruptions of global supply chains, that are contributing to rising inflationary pressures.

If new covid-19 waves force countries to re-adopt measures that restrict economic activity, the macroeconomic environment could deteriorate and adversely impact the Group's business and results of operations, which could include, but is not limited to (i) a continued decreased demand for its products and services; (ii) protracted periods of lower interest rates and resulting pressure on its margins; (iii) further material impairment of its loans and other assets including goodwill; (iv) decline in value of collateral; (v) constraints on its liquidity due to market conditions, exchange rates and customer withdrawal of deposits and continued draws on lines of credit; and (vi) downgrades to its credit ratings. See the risk factor entitled "Credit, market and liquidity risk may have an adverse effect on the credit rating of the Group and its costs of funds. Any downgrade in the credit rating of the Group would likely increase its cost of funding, require the Group to post additional collateral or take other actions under some of its derivative and other contracts and adversely affect its interest margins and results of operations".

Moreover, the operations of the Group could still be impacted by risks from remote working arrangements or bans on non-essential activities. For example, some of the Group's branches in affected countries were closed and others operated with reduced hours for a significant period of time. During 2020, the Group had more than half of its total workforce working remotely, which increased cybersecurity risks given greater use of computer networks outside the corporate environment. During 2021, there was a progressive move to return to the office while still maintaining flexibility to work remotely, particularly during the peaks of the covid-19 waves. If the Group becomes unable to successfully operate its business from remote locations including, for example, due to failures of its technology infrastructure, increased cybersecurity risks, or governmental restrictions that affect its operations, this could result in business disruptions that could have a material and adverse effect on the Group's business.

In light of the impact that the covid-19 pandemic had on the economic situation and forecasts in the markets where the Group operates, a review was carried out in 2020 to evaluate both goodwill and the recoverability of deferred tax assets. As a result of this review, in 2020 the Group adjusted the valuation of its goodwill and deferred tax assets, resulting in a non-recurring impairment of EUR 12,600 million (EUR 10,100 million related to goodwill and EUR 2,500 million related to deferred tax assets). This adjustment did not affect its liquidity, credit risk or market positions, and was neutral in CET1 capital. Furthermore, at the end of 2020 the Group recorded additional allowances for impairment of financial assets at amortized cost of EUR 3,105 million due to the effect of the covid-19 pandemic. At the end of December 2021, EUR 1,234 million of these additional allowances are

maintained, due to the remaining uncertainties in certain segments of the Group's loan portfolios in the US (Santander Consumer USA ("**SCUSA**")), Brazil and the UK.

The covid-19 pandemic may persist for some time, which could affect the global economy and/or adversely affect the Group's business, financial condition, liquidity or results of operations, and may also increase the likelihood and/or magnitude of other risks described in this Risk Factors section. The extent to which the consequences of the covid-19 pandemic affect the Group's business, financial condition, liquidity and results of operations will depend on future developments that remain uncertain, including the rate of distribution and administration of vaccines globally, the severity and duration of any resurgence of covid-19 variants, future actions taken by governments, central banks and other third parties in response to the pandemic, and the effects on the Group's customers, counterparties, employees and third-party service providers.

The war in Ukraine could materially affect the Group's financial position.

On 24 February 2022, Russia launched a large-scale military action against Ukraine. The Russian military action has caused an ongoing humanitarian crisis in Europe as well as volatility in financial markets globally, heightened inflation, shortages and increases in the prices of energy, oil, gas and other commodities. The continuance or escalation of the conflict, including the extension of the conflict to other countries in the region, could lead to further increases in energy prices (particularly gas prices, if supplies to Europe are interrupted) and heightened inflationary pressures, which in turn could lead to further increases in interest rates. In addition, the conflict has exacerbated supply chain problems, particularly to those businesses most sensitive to rising energy prices. The conflict and its effects could exacerbate the current slowdown in the global economy and could negatively affect the payment capacity of some of the Group's customers, especially those with more exposure to the Russian or Ukrainian markets.

In response to the Russian military action against Ukraine, several countries, including the US, the European Union member states, the UK and other UN member states, have imposed severe sanctions on Russia and Belarus, including freezing/blocking assets, targeting major Russian banks, the Russian Central Bank, certain companies and individuals in Russia, imposing export controls against Russia and Russian interests, as well as the disconnection of certain Russian banks from the SWIFT system (Society for Worldwide Interbank Financial Telecommunication). In addition, the sanctions imposed also include a ban on trading in sovereign debt and other securities. The scale of sanctions is unprecedented, complex and rapidly evolving, and poses continuously increasing operational risk to the Group. The Group's corporate framework and policies are designed to ensure compliance with applicable laws, regulations and economic sanctions in the countries in which it operates, including US, UK, EU and UN economic sanctions. The Group cannot predict whether any of the countries in which it operates will enact additional economic sanctions or trade restrictions in response to the Russian military action against Ukraine. While the Group does not knowingly engage in direct or indirect dealings with sanctioned parties, or in direct dealings with the sanctioned countries/territories, it may on occasion have indirect dealings within the sanctioned countries/territories, but aims to operate in line with applicable US, EU, UK and UN blocking and sectoral sanctions regulations.

Currently, the Group does not have loans, credits or contingencies affected by the recent sanctions imposed on Russia.

In addition, the risk of cyberattacks on companies and institutions could increase as a result of the military conflict and in response to the sanctions imposed, which could adversely affect the Group's ability to maintain or enhance its cyber security and data protection measures. Although so far the Group has not observed a significant change in cyberattack activity outside of Russia and Ukraine, it is actively monitoring the situation.

While the Group does not have a presence in Russia and Ukraine and its direct exposure to Russian or Ukrainian markets and assets is not material, the impact of the Russian military action against Ukraine and the sanctions imposed on global markets and institutions, the impact on macroeconomic conditions generally, and other potential future geopolitical tensions and consequences arising from the conflict remain uncertain and may exacerbate its operational risk. Episodes of economic and market volatility and pressure on supply chains and inflation may continue to occur and could worsen if the conflict persists or increases in severity. As a result, the Group's businesses, results of operations and financial position could be adversely affected by any of these factors directly or indirectly arising from the Russian military action against Ukraine.

The UK's withdrawal from the European Union has led to disruptions in the UK-based operations that could have a material adverse effect on the operations, financial condition and prospects of the Group.

On 31 January 2020, the UK ceased to be a member of the EU, on withdrawal terms that established a transition period until 31 December 2020. During the transition period, the UK continued to be treated as an EU member state and applicable EU legislation continued to be in force. A trade deal was agreed between the UK and the EU prior to the end of the transition period and the new regulations came into force on 1 January 2021.

The trade deal, however, did not include agreements on certain areas, such as financial services and data adequacy. As a result, the Santander UK group ("**Santander UK**") has, and will continue to have, a limited ability to provide cross-border services to EU customers and to trade with EU counterparties. The wider impact of Brexit on financial markets through market fragmentation, reduced access to finance and funding, and lack of access to certain financial market infrastructure, may affect the operations, financial condition and prospects of the Group and those of its customers.

Uncertainty also remains around the effect of Brexit on the UK's economic recovery from the covid-19 pandemic, as Brexit exacerbated global pandemic-related supply and labour market constraints and reduced economic output and exports as businesses attempt to adapt the new cross-border procedures and rules applicable in the UK and in the EU to their activities, products, customers and suppliers.

While the longer term effects of the UK's withdrawal from the EU are difficult to assess, there is ongoing political and economic uncertainty, such as: (i) increased friction with the EU and EU countries; (ii) the possibility of a second referendum on Scottish independence from the UK; and (iii) instability in Northern Ireland derived from the UK proposal to replace the current Northern Ireland

protocol agreed with the EU, which could negatively affect Santander UK's customers and counterparties and have a material adverse effect on the operations, financial condition and prospects of the Group.

Legal, Regulatory and Compliance Risks for the Group's Business Model

The Group is exposed to risk of loss from legal and regulatory proceedings.

The Group faces risk of loss from legal and regulatory proceedings, including tax proceedings, that could subject it to monetary judgments, regulatory enforcement actions, fines and penalties. The current regulatory and tax enforcement environment in the jurisdictions in which the Group operates reflects an increased supervisory focus on enforcement, combined with uncertainty about the evolution of the regulatory regime, and may lead to material operational and compliance costs.

The Group is from time to time subject to regulatory investigations and civil and tax claims, and party to certain legal proceedings incidental to the normal course of its business, including among others in connection with conflicts of interest, lending and derivatives activities, relationships with its employees and other commercial, data protection or tax matters. In view of the inherent difficulty of predicting the outcome of legal matters, particularly where the claimants seek very large or indeterminate damages, or where the cases present novel legal theories, involve a large number of parties or are in the early stages of investigation or discovery, the Group cannot state with certainty what the eventual outcome of these pending matters will be or what the eventual loss, fines or penalties related to each pending matter may be.

The amount of the Group's reserves in respect of these matters, which considers the likelihood of future cash outflows associated with each of such claims, is substantially less than the total amount of the claims asserted against the Group, and, in light of the uncertainties involved in such claims and proceedings, there is no assurance that the ultimate resolution of these matters will not significantly exceed the reserves currently accrued by the Group. As a result, the outcome of a particular matter may be material to the Group's operating results for a particular period. As of 31 December 2021, the Group had provisions for taxes, other legal contingencies and other provisions for EUR 4,423 million. See more information in note 25(d) to the 2021 Financial Statements (as defined below).

For example, in the context of Banco Popular's declaration of resolution, cancellation and conversion of its capital instruments, and subsequent transfer to Banco Santander of the shares resulting from that conversion, appeals, claims and actions have been filed against the resolutions of the Single Resolution Board (the "**SRB**") and the Spanish banking resolution authority, Spanish Fund for the Orderly Restructuring of Banks ("**FROB**") and against Banco Santander (previously, also against Banco Popular and other Group entities) related to the acquisition of Banco Popular. Additionally, since the acquisition of Banco Popular by Banco Santander in 2017, multiple affected parties have filed several claims and may file new claims in the future against Banco Santander, Banco Popular and their respective former and current officers and directors. It may not be possible to predict the number of claims and potential cash outflows or other effects associated with each of such claims that may be currently pending or could be filed by affected parties, including the former holders of shares and

capital instruments especially considering that the resolution decision in application of the new regulations is unprecedented, and that it is possible that future claims may not specify an amount or include a specific request for damages, may allege new legal interpretations of the regulations, or involve a large number of parties.

The estimated cost of potential compensation to Banco Popular shareholders and bondholders recorded in the 2017 financial statements amounted to EUR 680 million, of which EUR 535 million were applied to the fidelity action. The provisions recorded are deemed sufficient to cover the risks associated with the legal claims that are taking place today. However, in the event that the Group is required to make additional payments, either with respect to claims already made with undetermined amounts, or any new claims, there could be a significant adverse effect on the Group's results and financial situation.

The Group is subject to extensive regulation and regulatory and governmental oversight which could adversely affect its business, operations and financial condition.

As a financial institution, the Group is subject to extensive regulation, which materially affects its businesses. In Spain and the other jurisdictions where the Group operates, there is continuing political, competitive and regulatory scrutiny of the banking industry. Political involvement in the regulatory process, in the behaviour and governance of the banking sector and in the major financial institutions in which the local governments have a direct financial interest, and in their products and services and the prices and other terms they apply to them, is likely to continue. Accordingly, the statutes, regulations and policies to which the Group is subject may be changed at any time. In addition, the interpretation and the application by regulators of the laws and regulations to which the Group is subject may also change from time to time. Extensive legislation and implementing regulation affecting the financial services industry has been adopted in regions that directly or indirectly affect the Group's business, including Spain, the United States, the EU, the UK, Latin America and other jurisdictions, and further regulations are in the process of being implemented. The manner in which those laws and related regulations are applied to the operations of financial institutions is still evolving. Moreover, to the extent these regulations are implemented inconsistently in the various jurisdictions in which the Group operates, it may face higher compliance costs. Any legislative or regulatory actions and any required changes to the Group's business operations resulting from such legislation and regulations, as well as any deficiencies in its compliance with such legislation and regulation, could result in significant loss of revenue, limit its ability to pursue business opportunities in which the Group might otherwise consider engaging and provide certain products and services, affect the value of assets that the Group holds, require the Group to increase its prices and therefore reduce demand for its products, impose additional compliance and other costs on the Group or otherwise adversely affect its businesses. In particular, legislative or regulatory actions resulting in enhanced prudential standards, in particular with respect to capital and liquidity, could impose a significant regulatory burden on the Bank or on its bank subsidiaries and could limit the bank subsidiaries' ability to distribute capital and liquidity to the Bank, thereby negatively impacting the Bank. Future liquidity standards could require the Bank to maintain a greater proportion of assets in highly-liquid but lower-yielding financial instruments, which would negatively affect its net interest

margin. Moreover, the Bank's regulatory and supervisory authorities, periodically review the Bank's allowance for loan losses. Such regulators may recommend the Bank to increase its allowance for loan losses or to recognize further losses. Any such additional provisions for loan losses, as recommended by these regulatory agencies, whose views may differ from those of the Bank's management, could have an adverse effect on the Bank's earnings and financial condition. Accordingly, there can be no assurance that future changes in regulations or in their interpretation or application will not adversely affect the Group.

The wide range of regulations, actions and proposals which most significantly affect the Group, or which could most significantly affect the Group in the future, relate to capital requirements, funding and liquidity and development of a fiscal and banking union in the EU, which are discussed in further detail below. Moreover, there is uncertainty regarding the future of financial reforms in the United States and the impact that potential financial reform changes to the U.S. banking system may have on ongoing international regulatory proposals. In general, regulatory reforms adopted or proposed in the wake of the financial crisis have increased and may continue to materially increase the Group's operating costs and negatively impact the Group's business model. Furthermore, regulatory authorities have substantial discretion in how to regulate banks, and this discretion, and the means available to the regulators, have been increasing during recent years. Regulation may be imposed on an ad hoc basis by governments and regulators in response to a crisis, and these may especially affect financial institutions such as the Group that are deemed to be a global systemically important institution ("**G-SII**"). The main regulations and regulatory and governmental oversight that can adversely impact the Group include but are not limited to the following.

Capital requirements, liquidity, funding and structural reform

Increasingly onerous capital requirements constitute one of the Bank's main regulatory challenges. Increasing capital requirements may adversely affect the Bank's profitability and create regulatory risk associated with the possibility of failure to maintain required capital levels. As a Spanish financial institution, the Bank is subject to the Capital Requirements Regulation (Regulation (EU) No 575/2013) ("**CRR**") and the Capital Requirements Directive (Directive 2013/36/EU) ("**CRD IV**"), through which the EU began implementing the Basel III capital reforms from 1 January 2014. While the CRD IV required national transposition, the CRR was directly applicable in all the EU member states. This regulation is complemented by several binding technical standards and guidelines issued by the European Banking Authority ("**EBA**"), directly applicable in all EU member states, without the need for national implementation measures either. The implementation of the CRD IV into Spanish law took place through Royal Decree Law 14/2013 and Law 10/2014, Royal Decree 84/2015, of 13 February, implementing Law 10/2014 (Royal Decree 84/2015), Bank of Spain Circular 2/2014 and Bank of Spain Circular 2/2016.

On 27 June 2019, a comprehensive package of reforms amending CRR, CRD IV as well as the European Bank Recovery and Resolution Directive (Directive 2014/59/EU) ("**BRRD**") and Regulation (EU) No 1093/2010 ("**SRM Regulation**") came into force: (i) Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending CRDIV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory

measures and powers and capital conservation measures ("**CRD V**"); (ii) Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending BRRD as regards loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC ("**BRRD II**"); (iii) Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) 648/2012 ("**CRR II**"); and (iv) Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the SRM Regulation as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms ("**SRMR II**", and together with CRD V, BRRD II and CRR II, the "**EU Banking Reforms**").

The EU Banking Reforms cover multiple areas, including the Pillar 2 framework, the leverage ratio, mandatory restrictions on distributions, permission for reducing own funds and eligible liabilities, macroprudential tools, a new category of "non-preferred" senior debt that should only be bailed-in after junior ranking instruments but before other senior liabilities, changes to the definitions of Tier 2 and Additional Tier 1 instruments, the MREL framework and the integration of the TLAC standard into EU legislation as mentioned above.

With regards to the European Commission's proposal to create a new asset class of "non-preferred" senior debt, on 27 December 2017, Directive 2017/2399 amending Directive 2014/59/EU as regards the ranking of unsecured debt instruments in insolvency hierarchy was published in the Official Journal of the European Union and sets forth a harmonized national insolvency ranking of unsecured debt instruments to facilitate the issuance by credit institutions of senior "non-preferred" instruments. Before that, Royal Decree-Law 11/2017, of 23 June, approving urgent measures on financial matters created in Spain the new asset class of senior "non-preferred" debt.

Most of the provisions of the EU Banking Reforms have started to apply. CRD V Directive and BRRD II have been partially implemented into Spanish law through Royal Decree-Law 7/2021, of 27 April, ("**RDL 7/2021**") which has amended, amongst others, Law 10/2014 and Law 11/2015, of 18 June, on the Recovery and Resolution of Credit Institutions and Investment Firms ("**Law 11/2015**"). Despite the fact that RDL 7/2021 is generally enforceable since 29 April 2021, the Spanish Parliament decided on 19 May 2021 to process it as a Law and so RDL 7/2021 provisions may be subject to changes. Furthermore, Royal Decree 970/2021, of 8 November, amended Royal Decree 84/2015, and Circular 5/2021 of the Bank of Spain, of 22 December, amended Circular 2/2016, and continued the implementation into Spanish law of CRDV. In addition, Royal Decree 1041/2021, of 23 November, amended Royal Decree 1012/2015, of 6 November, which implemented Law 11/2015 (Royal Decree 1012/2015) and completed the implementation of CRD V and BRRD II. Of note, however, is the uncertainty regarding how the EU Banking Reforms will be applied by the relevant authorities.

As further explained below, CRR and CRR II were modified by Regulation 2020/873 of the European Parliament and of the Council of 24 June 2020 amending CRR and CRR II regarding certain

temporary or permanent adjustments in response to the covid-19 pandemic (CRR 2.5 or Quick Fix), applicable from 27 June 2020.

On 27 October 2021, the European Commission published legislative proposals to amend CRR and the CRD IV, as well as a separate legislative proposal to amend CRR and BRRD in the area of resolution. Moreover, these legislative proposals include the following: (i) a directive of the European Parliament and of the Council amending CRD IV with respect to supervisory powers, sanctions, third-country branches, and environmental, social and governance risks, and amending BRRD; (ii) a regulation of the European Parliament and of the Council and its annex amending CRR with respect to requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor; and (iii) a regulation of the European Parliament and of the Council amending CRR and BRRD with respect to the prudential treatment of global systemically important institutions with a multiple point of entry resolution strategy and a methodology for the indirect subscription of instruments eligible for meeting the minimum requirement for own funds and eligible liabilities. These legislative proposals will need to follow the ordinary legislative procedure to become binding EU law. The timing for the final implementation of these legislative proposals is unclear as of the date of this Listing Prospectus. The final package of new legislation may not include all elements currently set out in the proposal and new or amended elements may be introduced through the course of the legislative process.

Credit institutions, such as the Bank, are required, on a standalone and consolidated basis, to hold a minimum amount of regulatory capital of 8% of risk weighted assets (of which at least 4.5% must be Common Equity Tier 1 ("**CET1**") capital and at least 6% must be Tier 1 capital). In addition to the minimum regulatory capital requirements, the CRD IV also introduced five capital buffer requirements that must be met with CET1 capital: (1) the capital conservation buffer for unexpected losses, requiring additional CET1 of up to 2.5% of total risk weighted assets; (2) the institution-specific counter-cyclical capital buffer (consisting of the weighted average of the counter-cyclical capital buffer rates that apply in the jurisdictions where the relevant credit exposures are located), which may require as much as additional CET1 capital of 2.5% of total risk weighted assets or higher pursuant to the requirements set by the competent authority; (3) the G-SIIs buffer requiring additional CET1 which shall be not less than 1% of risk weighted assets; (4) the other systemically important institutions buffer, which may be as much as 2% of risk weighted assets; and (5) the CET1 systemic risk buffer to prevent systemic or macroprudential risks of at least 1% of risk weighted assets (to be set by the competent authority). Entities are required to comply with the "combined buffer requirement" (broadly, the combination of the capital conservation buffer, the institution-specific counter-cyclical buffer and the higher of (depending on the institution) the systemic risk buffer, the G-SIIs buffer and the other systemically important institutions ("**O-SII**") buffer, in each case as applicable to the institution). In addition, under the current framework, institutions must also comply with an additional capital requirement ("**Pillar 2**") which is annually set for each institution on an individual basis. Under the CRD V, where an institution is subject to a systemic risk buffer, that buffer will be cumulative with the applicable G-SIIs buffer or the other systemically important institution buffer.

While the capital conservation buffer and the G-SII buffer are mandatory, the Bank of Spain has greater discretion in relation to the counter-cyclical capital buffer, the O-SII buffer and the systemic risks buffer. The ECB also has the ability to provide certain recommendations in this respect.

As of the date of this Listing Prospectus, the Bank is required to maintain a capital conservation buffer of additional CET1 capital of 2.5% of risk weighted assets, a G-SII buffer of additional CET1 capital of 1% of risk weighted assets and a counter-cyclical capital buffer of additional CET1 capital of 0.01% of risk weighted assets. Bank of Spain agreed on 27 December 2021 to maintain the counter-cyclical buffer applicable to credit exposures in Spain at 0% for the first quarter of 2022 (while percentages are to be revised each quarter, the Bank of Spain anticipated also the non-activation of the counter-cyclical capital buffer over a prolonged period, at least until the main economic and financial effects arising from the covid-19 outbreak have been dispelled).

Moreover, article 104 of the CRD IV, as implemented by Article 68 of Law 10/2014, and similarly Article 16 of Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions (the "**SSM Regulation**"), also contemplate that in addition to the minimum Pillar 1 capital requirements and any applicable capital buffer, supervisory authorities may impose further Pillar 2 capital requirements to cover other risks, including those risks incurred by the individual institutions due to their activities not considered to be fully captured by the minimum capital requirements under the CRD IV and CRR. This may result in the imposition of additional capital requirements on the Bank and/or the Group pursuant to this Pillar 2 framework. Any failure by the Bank and/or the Group to maintain its Pillar 1 minimum regulatory capital ratios and any Pillar 2 additional capital requirements or TLAC/MREL Requirements (as defined below) could result in administrative actions or sanctions (including restrictions on discretionary payments), which, in turn, may have a material adverse impact on the Group's results of operations. The European Central Bank clarified in its "Frequently asked questions on the 2016 EU-wide stress test" (July 2016) and in accordance with articles 104a and b of the CRD V, as implemented in Spain by article 69 and 69bis of Law 10/2014, that the institutions specific Pillar 2 capital shall consist of two parts: Pillar 2 requirements and Pillar 2 guidance. Pillar 2 requirements are binding, and breaches can have direct legal consequences for banks, while Pillar 2 guidance is not directly binding and a failure to meet Pillar 2 guidance does not automatically trigger legal action, even though the ECB expects banks to meet Pillar 2 guidance. Failure to comply with the Pillar 2 guidance is not relevant for the purposes of triggering the automatic restriction of the distribution and calculation of the "Maximum Distributable Amount" but, in addition to certain other measures, competent authorities are entitled to impose further Pillar 2 capital requirements where an institution repeatedly fails to follow the Pillar 2 capital guidance previously imposed.

The ECB is required to carry out, at least on an annual basis, assessments under the CRD IV of the additional Pillar 2 capital requirements that may be imposed for each of the European banking institutions subject to the Single Supervisory Mechanism (the "**SSM**") and accordingly requirements may change from year to year. Any additional capital requirement that may be imposed on the Bank and/or the Group by the ECB pursuant to these assessments may require the Bank and/or the Group to

hold capital levels similar to, or higher than, those required under the full application of the CRD IV. There can be no assurance that the Group will be able to continue to maintain such capital ratios.

In addition to the above, the EBA published on 19 December 2014 its final guidelines for common procedures and methodologies in respect of its supervisory review and evaluation process ("**SREP**" and the "**SREP EBA Guidelines**"). Included in this were the EBA's proposed guidelines for a common approach to determining the amount and composition of additional Pillar 2 capital requirements implemented on 1 January 2016. Under these guidelines, national supervisors must set a composition requirement for the Pillar 2 additional capital requirements to cover certain specified risks of at least 56% CET1 capital and at least 75% Tier 1 capital. In June 2021, the EBA launched a public consultation on its revised SREP EBA Guidelines, which ran until 28 September 2021, and as a result, the SREP EBA Guidelines were updated, with publication of the final text on 18 March 2022. Under Article 104(a) of CRD V (implemented into Spanish law by Article 94.6 of Royal Decree 84/2015), EU banks are now allowed to meet Pillar 2 requirements with these minimum proportions of CET1 capital and tier 1 capital.

In addition to the statements on using flexibility within accounting and prudential rules, such as those made by the Basel Committee, the EBA and the ECB, amongst others, the Quick Fix sets out exceptional temporary measures to alleviate the immediate impact of covid-19-related developments, by adapting the timeline of the application of international accounting standards on banks' capital, by treating more favorably public guarantees granted during this crisis, by postponing the date of application of the leverage ratio buffer requirement, by setting a temporary prudential filter to mitigate the considerable negative impact of the volatility in central government debt markets during the covid-19 pandemic on institutions, by modifying the way of excluding certain exposures from the calculation of the leverage ratio, by advancing the date of application of several agreed measures that incentivise banks to finance employees, SMEs and infrastructure projects and by aligning the minimum coverage requirements for NPLs that benefit from public guarantees with those that benefit from guarantees granted by official export credit agencies.

The SREP EBA Guidelines also contemplate that national supervisors should not set additional capital requirements in respect of risks which are already covered by capital buffer requirements and/or additional macroprudential requirements; and, accordingly, the above "combined buffer requirement" is in addition to the minimum Pillar 1 capital requirement and to the additional Pillar 2 capital requirement. Therefore capital buffers would be the first layer of capital to be eroded pursuant to the applicable stacking order, as set out in the "Opinion of the EBA on the interaction of Pillar 1, Pillar 2 and combined buffer requirements and restrictions on distributions" published on 16 December 2015. In this regard, under Article 141 of the CRD IV, Member States of the EU must require that an institution that fails to meet the "combined buffer requirement" or the Pillar 2 capital requirements described above, be prohibited from paying any "discretionary payments" (which are defined broadly by the CRD IV as payments relating to CET1, variable remuneration and discretionary pension benefits and distributions relating to Additional Tier 1 capital instruments), until it calculates its applicable restrictions and communicates them to the regulator. Thereafter, any such discretionary payments shall be subject to such restrictions. The restrictions shall be scaled according to the extent

of the breach of the "combined buffer requirement" and calculated as a percentage of the profits of the institution since the last distribution of profits or "discretionary payment". Such calculation shall result in a Maximum Distributable Amount in each relevant period. As an example, the scaling is such that in the bottom quartile of the "combined buffer requirement", no "discretionary distributions" will be permitted to be paid. Articles 43 to 49 of Law 10/2014 and Chapter II of Title II of Royal Decree 84/2015 implement the above provisions in Spain. In particular, Article 48 of Law 10/2014 and Articles 73 and 74 of Royal Decree 84/2014 deal with restrictions on distributions. Furthermore, pursuant to the EU Banking Reforms, the calculation of the Maximum Distributable Amount, as well as consequences of, and pending, such calculation could also take place as a result of the breach of MREL (as defined below) and a breach of the leverage ratio buffer requirement.

CRD V further clarifies that Pillar 2 requirements should be positioned in the relevant stacking order of own funds requirements above the Pillar 1 capital requirements and below the "combined buffer requirement" or the leverage ratio buffer requirement, as applicable. In addition, CRD V also clarifies that Pillar 2 requirements should be set in relation to the specific situation of an institution excluding macroprudential or systemic risks, but including the risks incurred by individual institutions due to their activities (including those reflecting the impact of certain economic and market developments on the risk profile of an individual institution).

The Issuer announced on 3 February 2022 that it had received the ECB's decision regarding prudential minimum capital requirements effective as of 1 March 2022, following the results of SREP. The ECB decision required the Issuer to maintain a CET1 ratio of at least 8.85% on a consolidated basis. This 8.85% capital requirement includes: the minimum Pillar 1 requirement (4.5%); the Pillar 2 requirements (0.84%); the capital conservation buffer (2.5%); the requirement deriving from its consideration of the Issuer as a G-SII (1.0%) and the counter-cyclical buffer (0.01%). The ECB decision also requires that the Issuer maintain a CET1 capital ratio of at least 7.85% on an individual basis. As of 31 December 2021, on a consolidated basis, the Group's total capital ratio was 16.81% while its CET1 ratio was 12.51%. If the Group does not apply the transitory IFRS 9 provisions, nor the subsequent amendments introduced by Regulation 2020/873 of the European Union, the fully-loaded CET1 ratio would have been 12.12%.

In addition to the above, the CRR also contains a binding 3% Tier 1 leverage ratio ("**LR**") requirement, and which institutions must meet in addition and separately to their risk-based requirements. The ECB announced on 18 June 2021 that institutions under its supervision may continue to exclude certain central bank exposures from the leverage ratio, as exceptional macroeconomic circumstances due to the covid-19 pandemic continue. The move extended until March 2022 the leverage ratio relief granted in September 2020, which was set to expire on 27 June 2021.

Moreover, the EU Banking Reforms include a LR buffer for G-SIIs to be met with Tier 1 capital and set at 50% of the applicable risk weighted G-SIIs buffer. Pursuant to new Article 141b of the CRD V and Article 48ter of Law 10/2014, G-SIIs shall also be obliged to determine their Maximum Distributable Amount and restrict discretionary payments where they do not meet the leverage ratio buffer requirement under Article 92.1a of CRR. Due to the postponement of the application of the

leverage ratio buffer requirement by the Quick Fix restrictions on discretionary payments due to failure to meet the leverage ratio buffer requirement will apply from 1 January 2023.

On 9 November 2015, the Financial Stability Board (the "**FSB**") published its final principles and term sheet containing an international standard to enhance the loss absorbing capacity of G-SIIs such as the Bank. The final standard consists of an elaboration of the principles on loss absorbing and recapitalization capacity of G-SIIs in resolution and a term sheet setting out a proposal for the implementation of these proposals in the form of an internationally agreed standard on total loss absorbing capacity ("**TLAC**") for G-SIIs. Once implemented in the relevant jurisdictions, these principles and terms will form a new minimum TLAC standard for G-SIIs, and in the case of G-SIIs with more than one resolution group, each resolution group within the G-SII. As of 2 July 2019, the FSB published its review of the technical implementation of the TLAC principles and term sheet concluding that, although further efforts are needed to implement the TLAC standard fully and effectively and to determine the appropriate group-internal distribution of TLAC resources across home and host jurisdictions, it sees no need to modify the TLAC standard at this time. The TLAC principles and term sheet established a minimum TLAC requirement to be determined individually for each G-SII at the greater of (a) 18% as of 1 January 2022, and (b) 6.75% of the Basel III Tier 1 LR exposure measure as of 1 January 2022. Under the FSB TLAC standard, capital buffers stack on top of TLAC.

Furthermore, Article 45 of the BRRD provides that Member States shall ensure that institutions meet, at all times, a minimum requirement for own funds and eligible liabilities ("**MREL**"). On 14 December 2016, the EBA published its final report on the implementation and design of the MREL framework where it stated that, although there was no need to change the key principles underlying the MREL regulations, certain changes would be necessary with a view to improve the technical soundness of the MREL framework and implement the TLAC standard as an integral component of the MREL framework.

One of the main objectives of the EU Banking Reforms was to implement the TLAC standard and to integrate the TLAC requirement into the general MREL rules (the "**TLAC/MREL Requirements**") thereby avoiding duplication from the application of two parallel requirements. As mentioned above, although TLAC and MREL pursue the same regulatory objective, there are, nevertheless, some differences between them in the way they are constructed. The EU Banking Reforms integrate the TLAC standard into the existing MREL rules and to ensure that both requirements are met with largely similar instruments, with the exception of the subordination requirement, which will be partially institution-specific and determined by the resolution authority. Under the EU Banking Reforms, institutions such as the Bank would continue to be subject to an institution-specific MREL requirement, which may be higher than the Pillar 1 TLAC/MREL Requirements for G-SIIs contained in the EU Banking Reforms.

According to new article 16.a) of the BRRD, any failure by an institution to meet the "combined buffer requirement" when considered in addition to the applicable minimum TLAC/MREL Requirements is intended to be treated in a similar manner as a failure to meet the "combined buffer requirement" on top of its minimum regulatory capital requirements, i.e., a resolution authority will

have the power to impose restrictions or prohibitions on discretionary payments by the Bank. The referred article 16.a) of BRRD includes a potential nine month grace period, whereby the resolution authority will assess on a monthly basis whether to exercise its powers, after such nine-month period the resolution authority is compelled to exercise its power to restrict discretionary payments (subject to certain limited exceptions). These restrictions have been implemented in Spain by means of article 16bis of Law 11/2015.

The Bank announced on 14 December 2021 that it had received formal notification from the Bank of Spain of its binding minimum MREL requirement, both total and subordinated, for the resolution group of Banco Santander at a sub-consolidated level, as determined by the SRB. The requirement became effective on 1 January 2022 and replaced the previously applicable one. The total MREL requirement was set at 31.89% for 2024 and at 29.85% as intermediate target for 2022 of the resolution group's total risk weighted assets. The subordination requirement was set at 9.04%. As of 31 December 2021, the structure of own funds and eligible liabilities of the resolution group of Banco Santander meets the intermediate target of the requirement determined by the SRB effective 1 January 2022, and its funding plan has been built to further strengthen MREL ratio and to comply with the final requirement determined by the SRB. Future requirements are subject to ongoing review by the resolution authority.

Additionally, the Basel Committee is currently in the process of reviewing and issuing recommendations in relation to risk asset weightings which may lead to increased regulatory scrutiny of risk asset weightings in the jurisdictions who are members of the Basel Committee.

On 7 December 2017, the Basel Committee's oversight body, the Group of Central Bank Governors and Heads of Supervision ("**GHOS**") published the finalization of the Basel III post-crisis regulatory reform agenda. This review of the regulatory framework covers credit, operational and credit valuation adjustment ("**CVA**") risks, introduces a floor to the consumption of capital by internal ratings-based methods ("**IRB**") and the revision of the calculation of the LR. The main features of the reform are: (i) a revised standard method for credit risk, which will improve the soundness and sensitivity to risk of the current method; (ii) modifications to the IRB methods for credit risk, including input floors to ensure a minimum level of conservatism in model parameters and limitations to its use for portfolios with low levels of non-compliance; (iii) regarding the CVA risk, and in connection with the above, the removal of any internally modelled method and the inclusion of a standardized and basic method; (iv) regarding the operations risk, the revision of the standard method, which will replace the current standard methods and the advanced measurement approaches ("**AMA**"); (v) the introduction of a LR buffer for G-SIIs; and (vi) regarding capital consumption, it establishes a minimum limit on the aggregate results (output floor), which prevents the risk-weighted assets of the banks generated by internal models from being lower than the 72.5% of the risk-weighted assets that are calculated with the standard methods of the Basel III framework. In August 2019, the EBA advised the European Commission on the introduction of the output floor and concluded that the revised framework should be implemented by using the floored risk weighted assets as a basis for all the capital layers, including the systemic risk buffer and the Pillar 2 capital requirement. A draft proposal from the European Commission was issued during the fourth quarter of 2021.

The GHOS have extended the implementation of the revised minimum capital requirements for market risk until January 2022, to coincide with the implementation of the reviews of credit, operational and CVA risks.On 27 March 2020, the GHOS informed that a set of measures to provide additional operational capacity for banks and supervisors to respond to the immediate financial stability priorities resulting from the impact of covid-19 on the global banking system have been endorsed. Among such measures, the implementation date of the revised market risk framework was deferred by one year to 1 January 2023.

In addition to the above, the Group shall also comply with the liquidity coverage ratio ("**LCR**") and the net stable funding ratio ("**NSFR**") requirements provided in CRR. According to article 460.2 of CRR, the LCR was progressively introduced since 2015 with the following phasing-in: (a) 60% of the LCR in 2015; (b) 70% as of 1 January 2016; (c) 80% as of 1 January 2017; and (d) 100% as of 1 January 2018. As of 31 December 2021, the Group's LCR was 163%, above the 100% minimum requirement. In relation to the NSFR, the institutions shall maintain from 28 June 2021 an NSFR (calculated in accordance with Title IV of the CRR) of at least 100%. As of 31 December 2021, the Group's NSFR was 126%, above the 100% minimum requirement.

In this regard, there can be no assurance that the application of the existing regulatory requirements, standards or recommendations will not require the Bank to issue additional securities that qualify as own funds or eligible liabilities, to maintain a greater proportion of its assets in highly-liquid but lower-yielding financial instruments, to liquidate assets, to curtail business or to take any other actions, any of which may have a material adverse effect on the Group's business, results of operations and/or financial position.

EU fiscal and banking union

The project of achieving a European banking union was launched in the summer of 2012. Its main goal is to resume progress towards the European single market for financial services by restoring confidence in the European banking sector and ensuring the proper functioning of monetary policy in the eurozone.

The banking union is expected to be achieved through new harmonized banking rules (the single rulebook) and a new institutional framework with stronger systems for both banking supervision and resolution that will be managed at the European level. Its two main pillars are the SSM and the Single Resolution Mechanism ("**SRM**").

The SSM (comprised by both the ECB and the national competent authorities) is designed to assist in making the banking sector more transparent, unified and safer. In accordance with the SSM Regulation, the ECB fully assumed its new supervisory responsibilities within the SSM, in particular direct supervision of the largest European banks (including the Bank), on 4 November 2014.

The SSM represented a significant change in the approach to bank supervision at a European and global level, and resulted in the direct supervision by the ECB of the largest financial institutions, including the Bank, and indirect supervision of around 3,500 financial institutions and is now one of the largest in the world in terms of assets under supervision. In the coming years, the SSM is expected

to continue working on the establishment of a new supervisory culture importing best practices from the 19 national competent authorities that are part of the SSM and promoting a level playing field across participating Member States. Several steps have already been taken in this regard such as the publication of the Supervisory Guidelines; the approval of the Regulation (EU) No 468/2014 of the ECB of 16 April 2014, establishing the framework for cooperation within the SSM between the ECB and national competent authorities and with national designated authorities (the "**SSM Framework Regulation**"); the approval of a Regulation (Regulation (EU) 2016/445 of the European Central Bank of 14 March 2016 on the exercise of options and discretions available in Union law) and a set of guidelines on the application of CRR's national options and discretions, etc. In addition, the SSM represents an extra cost for the financial institutions that funds it through payment of supervisory fees.

The other main pillar of the EU banking union is the SRM, the main purpose of which is to ensure a prompt and coherent resolution of failing banks in Europe at minimum cost for the taxpayers and the real economy. The SRM Regulation establishes uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the SRM and a Single Resolution Fund ("**SRF**"). Under the intergovernmental agreement (IGA) signed by 26 EU member states on 21 May 2014, contributions by banks raised at national level were transferred to the SRF. The SRB, which is the central decision-making body of the SRM, started operating on 1 January 2015 and has fully assumed its resolution powers on 1 January 2016. The SRB is responsible for managing the SRF and its mission is to ensure that credit institutions and other entities under its remit, which face serious difficulties, are resolved effectively with minimal costs to taxpayers and the real economy. From that date onwards, the SRF is also in place, funded by contributions from European banks in accordance with the methodology approved by the Council of the EU. The SRF is intended to reach a total amount of EUR 55 billion by 2024 and to be used as a separate backstop only after an 8% bail-in of a bank's liabilities has been applied to cover capital shortfalls (in line with the BRRD).

In order to complete such banking union, a single deposit guarantee scheme is still needed, which may require a change to the existing European treaties. This is the subject of continued negotiation by European leaders to ensure further progress is made in European fiscal, economic and political integration.

Regulations adopted towards achieving a banking and/or fiscal union in the EU and decisions adopted by the ECB in its capacity as the Bank's main supervisory authority may have a material impact on the Group's business, financial condition and results of operations.

Moreover, regulations adopted on structural measures to improve the resilience of EU credit institutions may have a material impact on the Bank's business, financial condition, results of operations and prospects. These regulations, if adopted, may also cause the Group to invest significant management attention and resources to make any necessary changes.

Global minimum tax

On 22 December 2021, the European Commission proposed a Directive ensuring a minimum effective tax rate for the global activities of large multinational groups. The proposal closely follows the

OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting and sets out how the principles of the 15% effective tax rate – agreed by 137 countries – will be applied in practice within the EU. It includes a common set of rules (GloBe - Global Anti-Base Erosion - Rules) on how to calculate this effective tax rate, so that it is properly and consistently applied across the EU. If the Directive proposal is finally approved at the EU level, it is expected that the inclusion rule will be applicable in the Member States from 1 January 2023.

Banking reform in the UK

In accordance with the provisions of the Financial Services (Banking Reform) Act 2013, UK banking groups that hold significant retail deposits, including Santander UK, were required to separate or 'ring-fence' their retail banking activities from their wholesale banking activities by 1 January 2019.

However, given the complexity of the ringfencing regulatory regime and the material impact on the way Santander UK conducts its business operations in the UK, there is a risk that Santander UK may be found to be in breach of one or more ring-fencing requirements. This might occur, for example, if prohibited business activities are found to be taking place within the ring-fence, mandated retail banking activities are found being carried on in a UK entity outside the ring-fenced part of the group or Santander UK breached a PRA ring-fencing rule. If Santander UK were found to be in breach of any of the ring-fencing requirements placed upon it under the ring-fencing regime, it could be subject to supervisory or enforcement action by the PRA, the consequences of which might include substantial financial penalties, imposition of a suspension or restriction on Santander UK's UK activities or, in the most serious of cases, forced restructuring of the UK group, entitling the PRA (subject to the consent of the UK government) to require the sale of a Santander ring-fenced bank or other parts of the UK group.

United States significant regulation

The financial services industry continues to experience significant financial regulatory reform in the United States, including from capital, leverage, funding, liquidity, and tax regulation, fiscal and monetary policies established by central banks and financial regulators, changes to global trade policies, and other legal and regulatory actions. Many of these reforms significantly affected and continue to affect the Bank's revenues, costs and organizational structure in the United States and the scope of its permitted activities. The Bank continues to monitor the changing political, tax and regulatory environment in the United States. The Bank believes that it is likely that there will be further material changes in the way major financial institutions like the Bank are regulated in the United States. The scope of regulation and the intensity of supervision will likely remain higher under the Biden Administration, including increased scrutiny and supervision by its regulators. Although it remains difficult to predict the exact impact these changes will have on its business, financial condition, results of operations and cash flows for a particular future period, further reforms could result in loss of revenue, higher compliance costs, additional limits on its activities, constraints on its ability to enter into new businesses and other adverse effects on its businesses.

The full spectrum of risks that result from pending or future U.S. financial services legislation or regulations cannot be fully known; however, such risks could be material and the Group could be materially and adversely affected by them.

Enhanced prudential standards

As a large foreign banking organization (“**FBO**”) with significant U.S. operations, the Bank is subject to enhanced prudential standards that required Banco Santander to, among other things, establish or designate a U.S. intermediate holding company (an “**IHC**”) and to hold its entire ownership interest in substantially all of its U.S. subsidiaries under such IHC. The Bank designated its wholly-owned subsidiary, Santander Holdings USA, as its U.S. IHC. As a U.S. IHC, Santander Holdings USA is subject to an enhanced supervision framework that includes enhanced risk-based and leverage capital requirements, liquidity requirements, risk management and governance requirements, stress-testing and capital planning requirements, and resolution planning requirements. Collectively, the enhanced prudential standards impose a significant regulatory burden on Santander Holdings USA, in particular with respect to capital and liquidity, which could limit its ability to distribute capital and liquidity to the Bank, thereby negatively affecting the Bank.

Banco Santander is classified as a Category IV FBO, and Santander Holdings USA is classified as a Category IV IHC, though this categorization may change depending on the scope and composition of their activities. Category IV institutions are subject to the least exacting level of enhanced prudential standards. Both Banco Santander and Santander Holdings USA are now generally subject to less restrictive enhanced prudential standards and capital and liquidity requirements than under previously applicable regulations, as described in more detail in the relevant sections below.

Resolution planning

The Bank is required to prepare and submit periodically to the Federal Reserve Board and the Federal Deposit Insurance Corporation (“**FDIC**”) a plan, commonly called a living will (the “**165(d) plan**”), for the orderly resolution of its subsidiaries and operations that are domiciled in the United States in the event of future material financial distress or failure. The Bank, on behalf of its insured depository institution (“**IDI**”) subsidiary, Santander Bank, N.A. (“**Santander Bank**”), must also submit a separate IDI resolution plan (“**IDI plan**”) to the FDIC. The 165(d) plan and the IDI plan require substantial effort, time and cost to prepare and are subject to review by the Federal Reserve Board and the FDIC, in the case of the 165(d) plan, and by the FDIC only, in the case of the IDI plan. If, after reviewing the Bank’s 165(d) plan and any related re-submissions, the Federal Reserve Board and the FDIC jointly determine that the Bank failed to cure identified deficiencies, they may jointly impose on the Bank’s U.S. operations more stringent capital, leverage or liquidity requirements, or restrictions on its growth, activities or operations, or even divestitures, which could have an adverse effect on its business. Banco Santander filed its most recent 165(d) plan on 19 December 2018, and its most recent IDI plan on 28 June 2018. As a result of the Economic Growth, Regulatory Relief, and Consumer Protection Act and following changes to applicable regulations, Banco Santander is now a triennial reduced filer and submitted its most recent 165(d) plan on 1 July 2022 in the form of a reduced resolution plan. With respect to the Bank’s IDI plan, the FDIC announced in November 2018 that the

agency planned to revise the IDI plan rule and that the next IDI plan submissions would not be required until the rulemaking process was complete. While the FDIC lifted this moratorium for IDIs with U.S.$100 billion or more in assets under the IDI rule, the moratorium remains in place for covered IDIs below this asset threshold, such as Santander Bank

OTC derivatives regulation

Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd Frank Act**") amended the U.S. Commodity Exchange Act and the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") among other statutes, to establish an extensive framework for the regulation of over-the-counter ("**OTC**") derivatives, including mandatory clearing of certain standardized OTC derivatives and the trading of such instruments through regulated trading venues, subject to exceptions, and transaction reporting. In addition, Title VII requires the registration of swap dealers and major swap participants with the Commodity Futures Trading Commission ("**CFTC**") and of security-based swap dealers and major security-based swap participants with the SEC, and requires the CFTC and SEC to adopt regulations imposing capital, margin, business conduct, record keeping and other requirements on such entities. The CFTC and the SEC have completed the majority of their regulations in this area, most of which are in effect. Banco Santander is provisionally registered as a non-U.S. swap dealer with the CFTC and is additionally conditionally registered as a non-U.S. security-based swap dealer with the SEC.

These rules, and similar rules being considered by regulators in other jurisdictions that may also apply to the Bank, and the potential conflicts and inconsistencies between them, increase the Bank's costs for engaging in swaps and other derivatives activities and present compliance challenges.

Volcker Rule

Section 13 of Bank Holding Company Act and its implementing rules (collectively, the "**Volcker Rule**") prohibits "banking entities" from engaging in certain forms of proprietary trading or from sponsoring, or investing in "covered funds", in each case subject to certain exceptions. The Volcker Rule also limits the ability of banking entities and their affiliates to enter into certain transactions with covered funds with which they or their affiliates have certain relationships. Banking entities such as Banco Santander were required to bring their activities and investments into compliance with the requirements of the Volcker Rule by the end of the conformance period applicable to each requirement. Banco Santander has assessed how the Volcker Rule affects its businesses and subsidiaries, and has brought its activities into compliance. Banco Santander has adopted processes to establish, maintain, enforce, review and test the compliance program designed to achieve and maintain compliance with the Volcker Rule. The Volcker Rule contains exclusions and certain exemptions for market-making, hedging, underwriting, trading in U.S. government and agency obligations and certain foreign government obligations, and trading solely outside the United States, and also permits certain ownership interests in certain types of funds to be retained.

In June 2019, the five regulatory agencies charged with implementing the Volcker Rule finalized amendments that primarily affect the proprietary trading aspects of the Volcker Rule. These

amendments tailor the Volcker Rule's compliance requirements to the amount of a firm's trading activity, revise the definition of trading account, clarify certain key provisions in the Volcker Rule, and modify the information companies are required to provide to the federal agencies. Under the revised rule, firms that do not have significant trading activities, such as Banco Santander, have simplified and streamlined compliance requirements.

In June 2020, the five federal agencies finalized additional amendments to the Volcker Rule, related to the restrictions on ownership interests in, sponsorship of and relationships with covered funds.

Banco Santander will continue to monitor Volcker Rule-related developments and assess their impact on its operations, as necessary.

United States capital, liquidity and related requirements and supervisory actions

As a U.S. IHC and bank holding company, Santander Holdings USA is subject to the U.S. Basel III capital rules, which implement in the United States the capital components of the Basel Committee's international capital and liquidity standards known as Basel III. Under the Tailoring Rules, Santander Holdings USA is not subject to the LCR or the NSFR requirements, since it is a Category IV IHC with less than U.S.$50 billion in weighted short-term wholesale funding.

Total loss-absorbing capacity and long-term debt requirements

In addition to the above mentioned capital and liquidity requirements, Santander Holdings USA is subject to the Federal Reserve Board's final rule implementing the FSB's international TLAC standard, which establishes certain TLAC, long-term debt ("**LTD**") and clean holding company requirements for U.S. IHCs of non-U.S. G-SIIs, including Santander Holdings USA. Santander Holdings USA is compliant with all applicable requirements under the final rule as of 31 December 2019. Compliance with the final TLAC rule has resulted in increased funding expenses for Santander Holdings USA and, indirectly, the Bank.

Stress testing and capital planning

Certain of the Bank's U.S. subsidiaries, including Santander Holdings USA, are subject to supervisory stress testing and capital planning requirements in the United States. The Federal Reserve Board expects companies subject to stress testing and capital planning processes, such as Santander Holdings USA, to have sufficient capital to withstand a highly adverse operating environment and to be able to continue operations, maintain ready access to funding, meet obligations to creditors and counterparties, and serve as credit intermediaries. In addition, the Federal Reserve Board evaluates the planned capital actions of these bank holding companies, including planned capital distributions such as dividend payments or stock repurchases.

In October 2019, the Federal Reserve Board finalized the Tailoring Rules for stress testing and capital actions that a company is required to perform based on the company's asset size, cross-jurisdictional activity, reliance on short-term wholesale funding, non-bank assets, and off-balance sheet exposure. As a Category IV IHC under the Tailoring Rules, Santander Holding USA is required to submit a

capital plan to the Federal Reserve on an annual basis. Santander Holding USA is also subject to supervisory stress testing on a two-year cycle. Santander continues to evaluate planned capital actions in its annual capital plan and on an ongoing basis.

The Federal Reserve Board has the authority to limit the capital distributions of bank holding companies, including Santander Holding USA. For example, in June 2020, the Federal Reserve Board announced that it would bar share repurchases and limit common stock dividend payments in the third quarter of 2020 for all large bank holding companies, and subsequently extended the restrictions into the first half of 2021 with certain modifications to permit resumptions of share repurchases. Although the temporary capital action supervisory restrictions previously applicable to Santander Holdings USA ended on 30 June 2021, it is possible that the Federal Reserve Board could impose similar restrictions in the future.

In March 2020, the Federal Reserve Board finalized the Stress Capital Buffer ("**SCB**") rule. Under the SCB rule, the Federal Reserve Board uses the results of its supervisory stress test to establish the size of a firm's SCB requirement, subject to a floor of 2.5 percent. Beginning 1 October 2020, the SCB replaced the previously effective 2.5 percent capital conservation buffer. Santander Holdings USA must maintain capital ratios above the sum of the minimum capital requirements and any applicable capital buffers, including the SCB, in order to avoid restrictions on the distribution of capital, including in the form of dividends or share repurchases. As a Category IV IHC, Santander Holdings USA was not subject to the supervisory stress testing processes for the 2021 cycle. Santander Holdings USA's current SCB, calibrated based on the results of the 2020 supervisory stress tests, is 2.5 percent, although this amount could increase in future years based on the results of the Federal Reserve Board's periodic supervisory stress tests and capital planning requirements applicable to Santander Holdings USA.

Single counterparty credit limits

The U.S. operations of the Bank are subject to single counterparty credit limits, which impose percentage limitations on net credit exposures to individual counterparties (aggregated based on affiliation), generally as a percentage of tier 1 capital. Under the amendments to the U.S. single counterparty credit limits rule made by the Tailoring Rules, Santander Holdings USA is not subject to the single counterparty credit limits rule at the IHC level. In addition, although the Bank remains subject to the U.S. single counterparty credit limit rules with respect to its U.S. operations, it has elected to use substituted compliance by certifying that it complies with its home-country single counterparty credit limits, instead of separately complying with the Federal Reserve Board's implementation of these requirements.

Other supervisory actions and restrictions on U.S. activities

In addition to the foregoing, U.S. bank regulatory agencies from time to time take supervisory actions under certain circumstances that restrict or limit a financial institution's activities. In some instances, the Bank is subject to significant legal restrictions on its ability to publicly disclose these actions or the full details of these actions. Furthermore, as part of the regular examination process, U.S. banking

regulators may advise the Bank's U.S. banking subsidiaries to operate under various restrictions as a prudential matter. Currently, under the U.S. Bank Holding Company Act, the Bank and its U.S. banking and bank holding company subsidiaries may not be able to engage in certain categories of new activities in the U.S. or acquire shares or control of other companies in the U.S. Any such actions or restrictions, if and in whatever manner imposed, could adversely affect the Bank's costs and revenues. Moreover, efforts to comply with non-public supervisory actions or restrictions could require material investments in additional resources and systems, as well as a significant commitment of managerial time and attention. As a result, such supervisory actions or restrictions could have a material adverse effect on the Bank's business and results of operations; and the Bank may be subject to significant legal restrictions on its ability to publicly disclose these matters or the full details of these actions.

In addition to such confidential actions and restrictions, the Bank may from time to time be subject to public supervisory actions in the United States. For example, in March 2017, Santander Holdings USA and SCUSA entered into a written agreement with the Federal Reserve Bank of Boston ("**FRB Boston**") pursuant to which Santander Holdings USA and SCUSA agreed to submit written plans acceptable to the FRB Boston to strengthen board oversight of the management and operations of SCUSA and to strengthen board and senior management oversight of SCUSA's risk management program, SCUSA agreed to submit a written revised compliance risk management program acceptable to the FRB Boston and Santander Holdings USA agreed to submit written revisions to its firm-wide internal audit program of SCUSA's compliance risk management program. The written agreement between Santander Holdings USA, SCUSA and the FRB Boston dated 21 March 2017 was terminated on 4 February 2021.

Anti-money laundering and economic sanctions

A major focus of U.S. governmental policy relating to financial institutions is aimed at preventing money laundering and terrorist financing. The Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001 and the Anti-Money Laundering Act of 2021, contains provisions intended to detect and prevent the use of the U.S. financial system for money laundering and terrorist financing activities. Under the Bank Secrecy Act, U.S. financial institutions, including U.S. branches and subsidiaries of non-U.S. banks, are required to, among other things, maintain an anti-money laundering ("**AML**") program, verify the identity of clients, identify and verify the beneficial owners of certain legal entity clients, conduct ongoing customer due diligence, monitor for and report suspicious transactions, report on cash transactions exceeding specified thresholds, and respond to requests for information by regulatory authorities and law enforcement agencies. The Financial Crimes Enforcement Network of the U.S. Department of the Treasury and U.S. federal and state bank regulatory agencies, as well as the U.S. Department of Justice, have the authority to impose significant civil money penalties for violations of those requirements.

There is also scrutiny of compliance with applicable U.S. economic sanctions administered by the Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of the Treasury against certain foreign countries, governments, individuals and entities to counter threats to U.S. national security, foreign policy, or the economy. OFAC-administered sanctions take many different forms. For

example, sanctions may include: (1) restrictions on U.S. persons' trade with or investment in a sanctioned country, including prohibitions against direct or indirect imports from and exports to a sanctioned country and prohibitions on U.S. persons engaging in financial transactions relating to, making investments in, or providing investment-related advice or assistance to, a sanctioned country; and (2) blocking of assets of targeted governments or "specially designated nationals," by prohibiting transfers of property subject to U.S. jurisdiction, including property in the possession or control of U.S. persons. Blocked assets, such as property and bank deposits, cannot be paid out, withdrawn, set off or transferred in any manner without a license from OFAC. In addition, non-U.S. persons can be liable for "causing" a sanctions violation by a U.S. person or can violate U.S. sanctions by exporting services from the United States to a sanctions target, for example by engaging in transactions with targets of U.S. sanctions denominated in U.S. dollars that clear through U.S. financial institutions (including through U.S. branches or subsidiaries of non-U.S. banks). In addition, the U.S. government has implemented various sanctions that target non-U.S. persons, including non-U.S. financial institutions that engage in certain activities undertaken outside the United States and without the involvement of any U.S. persons ("**secondary sanctions**") that involve Hong Kong, Iran, North Korea, Russia, Syria, or Hezbollah. If a non-U.S. financial institution were determined to have engaged in activities targeted by certain secondary U.S. sanctions, it could lose its ability to open or maintain correspondent or similar accounts with U.S. financial institutions, among other potential consequences.

Failures to comply with applicable U.S. AML laws or regulations or economic sanctions could have severe legal and reputational consequences, including significant civil and criminal penalties, and certain AML violations could result in a termination of U.S. banking licenses. The lack of certainty on possible requirements arising from any new AML laws or sanctions could pose risks given the possible penalties for financial crime compliance failings. If such penalties are incurred, then they could have a material adverse effect on the Bank's operations, financial condition and prospects. In addition, U.S. regulators have taken actions against non-U.S. bank holding companies requiring them to improve their oversight of their U.S. subsidiaries' Bank Secrecy Act programs and compliance. Further, U.S. federal banking agencies are required, when reviewing bank and bank holding company acquisition or merger applications, to take into account the effectiveness of the AML compliance record of the applicant.

Data privacy and cybersecurity

The Group receives, maintains, transmits, stores and otherwise processes proprietary, sensitive and confidential data, including public and non-public personal information of its customers, employees, counterparties and other third parties, including, but not limited to, personally identifiable information and personal financial information. The collection, sharing, use, retention, disclosure, protection, transfer and other processing of this information is governed by stringent federal, state, local and foreign laws, rules and regulations, and the regulatory framework for data privacy and cybersecurity is in considerable flux and evolving rapidly. As data privacy and cybersecurity risks for banking organizations and the broader financial system have significantly increased in recent years, data privacy and cybersecurity issues have become the subject of increasing legislative and regulatory

focus. Internationally, virtually every jurisdiction in which the Group operates has established its own data privacy and cybersecurity legal framework with which the Group must comply. For example, on 25 May 2018, the Regulation (EU) 2016/279 of the European Parliament and of the Council of 27 April 2016, on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "**General Data Protection Regulation**" or "**GDPR**") became directly applicable in all member states of the EU. To align the Spanish legal regime with the GDPR, Spain enacted the Organic Law 3/2018, of 5 December, on Data Protection and the safeguarding of digital rights which repealed the Spanish Organic Law 15/1999, of 13 December, on data protection. Additionally, following the United Kingdom's withdrawal from the EU, the Bank is also subject to the U.K. General Data Protection Regulation ("**U.K. GDPR**") (i.e., a version of the GDPR as implemented into U.K. law). Although a number of basic existing principles have remained the same, the GDPR and U.K. GDPR introduced extensive new obligations on both data controllers and processors, as well as rights for data subjects. The GDPR and U.K. GDPR, together with national legislation, regulations and guidelines of the EU member states governing the processing of personal data, impose strict obligations and restrictions on the ability to collect, use, retain, protect, disclose, transfer and otherwise process personal data. In particular, the GDPR includes obligations and restrictions concerning the consent and rights of individuals to whom the personal data relates, the transfer of personal data out of the European Economic Area ("**EEA**"), security breach notifications and the security and confidentiality of personal data. The GDPR and U.K. GDPR also impose significant fines and penalties for non-compliance of up to the higher of 4% of annual worldwide turnover or EUR 20 million (or GBP 17.5 million under the U.K. GDPR), whichever is greater.

The implementation of the GDPR, U.K. GDPR and other data protection regimes has required substantial amendments to the Bank's procedures and policies. The changes have impacted, and could further adversely impact, its business by increasing the Bank's operational and compliance costs. The Bank expects the number of jurisdictions adopting their own data privacy and cybersecurity laws to increase, which will likely require it to devote additional significant operational resources for its compliance efforts and incur additional significant expenses. It is also likely to increase its exposure to risk of claims that the Bank has not complied with all applicable data privacy and cybersecurity laws, rules and regulations.

Recent legal developments in the EEA, including recent rulings from the Court of Justice of the European Union and from various EU member state data protection authorities, have created complexity and uncertainty regarding transfers of personal data from the EEA to the United States and other so-called third countries outside the EEA. Similar complexities and uncertainties also apply to transfers from the United Kingdom to third countries. While the Bank has taken steps to mitigate the impact, such as implementing the supplementary measures applicable in accordance with the regulatory risk of the country of destination of the personal data, the efficacy and longevity of these mechanisms remains uncertain.

In the United States, there are numerous federal, state and local data privacy and security laws, rules, and regulations governing the collection, sharing, use, retention, disclosure, protection, transfer and other processing of personal information, including federal and state data privacy laws, data breach

notification laws, and data disposal laws. For example, at the federal level, among other laws, rules and regulations, the Bank is subject to the Gramm-Leach-Bliley Act ("**GLBA**"), which requires financial institutions to, among other things, periodically disclose their privacy policies and practices relating to sharing non-public personal information and enables retail customers to opt out of its ability to share such personal information with unaffiliated third parties under certain circumstances. The GLBA also requires financial institutions to implement a comprehensive information security program that includes administrative, technical and physical safeguards to ensure the security and confidentiality of customer records and information. Like other lenders, Santander Bank and other of the Bank's U.S. subsidiaries also use credit bureau data in their underwriting activities, and the use of such data is regulated under the Fair Credit Reporting Act ("**FCRA**"). Santander Bank and the Bank's U.S. subsidiaries are also subject to the rules and regulations promulgated under the authority of the Federal Trade Commission, which regulates unfair or deceptive acts or practices, including with respect to data privacy and cybersecurity. Moreover, the United States Congress has recently considered, and is currently considering, various proposals for more comprehensive data privacy and cybersecurity legislation, to which the Bank and its U.S. subsidiaries may be subject if passed. Data privacy and cybersecurity are also areas of increasing state legislative focus, and states are increasingly proposing or enacting legislation that relates to data privacy and cybersecurity. For example, the California Consumer Privacy Act ("**CCPA**"), which took effect on 1 January 2020, gives California residents the right to, among other things, request disclosure of information collected about them, and whether that information has been sold or shared with others, the right to request deletion of personal information (subject to certain exceptions), the right to opt out of the sale of their personal information, and the right not to be discriminated against for exercising their rights. Further, effective in most material respects starting on 1 January 2023, the California Privacy Rights Act ("**CPRA**") (which was passed via a ballot initiative as part of the November 2020 election) will significantly modify the CCPA, including by expanding California residents' rights with respect to certain sensitive personal information. Other states where the Bank does business, or may in the future do business, or from which it otherwise collects, or may in the future otherwise collect, personal information of residents have adopted or are considering adopting similar laws. For example, Virginia and Colorado have recently adopted comprehensive data privacy laws similar to the CCPA, which will go into effect in January and July of 2023, respectively. In addition, laws in all 50 U.S. states generally require businesses to provide notice under certain circumstances to consumers whose personal information has been disclosed as a result of a data breach, and the Bank may be required to report events related to data privacy or cybersecurity issues, events where customer information may be compromised, unauthorized access to its systems and other security breaches, to affected individuals or the relevant regulatory authorities.

Additionally, the Bank's New York branch is supervised by the New York State Department of Financial Services ("**NYDFS**"). The NYDFS issued Cybersecurity Requirements for Financial Services Companies, which took effect in 2017, and which require banks, insurance companies and other financial services institutions regulated by the NYDFS to establish and maintain a cybersecurity program designed to protect consumers and ensure the safety and soundness of New York State's financial services industry. The cybersecurity regulation adds specific requirements for these institutions' cybersecurity compliance programs and imposes an obligation to conduct ongoing,

comprehensive risk assessments. Further, on an annual basis, each institution is required to submit a certification of compliance with these requirements.

Data privacy and cybersecurity laws, rules and regulations continue to evolve and may result in ever-increasing public scrutiny and escalating levels of enforcement and sanctions. The Group may become subject to new legislation or regulations concerning data privacy or cybersecurity, which could require it to incur significant additional costs and expenses in an effort to comply. The Group could also be adversely affected if new legislation or regulations are adopted or if existing legislation or regulations are modified or interpreted such that it is required to alter its systems or require changes to its business practices, processes or privacy policies. If cybersecurity, data privacy, data protection, data transfer or data retention laws, rules or regulations are implemented, interpreted or applied in a manner inconsistent with the Group's current practices or policies, or if the Group fails to comply (or are perceived to have failed to comply) with applicable laws, rules and regulations relating to data privacy and cybersecurity, it may be subject to substantial fines, civil or criminal penalties, costly litigation (including class actions), claims, proceedings, judgments, awards, penalties, sanctions, regulatory enforcement actions, government investigations or inquiries, or other adverse impacts, or be ordered to change its business practices, policies or systems in a manner that adversely impacts its operating results, any of which could have a material adverse effect on its business.

The Group is subject to potential action by any of its regulators or supervisors, particularly in response to customer complaints.

As noted above, the business and operations of the Group are subject to increasingly significant rules and regulations that are required to conduct banking and financial services business. These apply to business operations, affect financial returns, include reserve and reporting requirements, and prudential and conduct of business regulations. These requirements are set by the relevant central banks and regulatory authorities that authorize, regulate and supervise the Group in the jurisdictions in which it operates.

In their supervisory roles, the regulators seek to maintain the safety and soundness of financial institutions with the aim of strengthening the protection of customers and the financial system. The supervisors' continuing supervision of financial institutions is conducted through a variety of regulatory tools, including the collection of information by way of prudential returns, reports obtained from skilled persons, visits to firms and regular meetings with management to discuss issues such as performance, risk management and strategy. In general, these regulators have a more outcome-focused regulatory approach that involves more proactive enforcement and more punitive penalties for infringement. As a result, the Group faces increased supervisory scrutiny (resulting in increasing internal compliance costs and supervision fees), and in the event of a breach of its regulatory obligations, the Group is likely to face more stringent regulatory fines. Some of the regulators, particularly the CFPB under the Biden administration, are focusing intently on consumer protection and on conduct risk and will continue to do so. This has included a focus on the design and operation of products, the behaviour of customers and the operation of markets. Such a focus could result, for example, in pricing regulations that could restrict the Group's ability to charge certain levels of interest in credit transactions or in regulation that would prevent the Group from bundling products

that it offers to its customers. Some of the laws in the relevant jurisdictions in which the Group operates, give the regulators the power to make temporary product intervention rules either to improve a firm's systems and controls in relation to product design, product management and implementation, or to address problems identified with financial products. These problems may potentially cause significant detriment to consumers because of certain product features or governance flaws or distribution strategies. Such rules may prevent institutions from entering into product agreements with customers until such problems have been solved. Some of the regulatory regimes in the relevant jurisdictions in which the Group operates, require the Group to be in compliance across all aspects of its business, including the training, authorization and supervision of personnel, systems, processes and documentation. If the Group fails to comply with the relevant regulations, there would be a risk of an adverse impact on its business from sanctions, fines or other actions imposed by the regulatory authorities. Customers of financial services institutions, including the Group's customers, may seek redress if they consider that they have suffered loss as a result of the mis-selling of a particular product, or through incorrect application of the terms and conditions of a particular product. Given the inherent unpredictability of litigation and the evolution of judgments by the relevant authorities, it is possible that an adverse outcome in some matters could harm the Group's reputation or have a material adverse effect on its operating results, financial condition and prospects arising from any penalties imposed or compensation awarded, together with the costs of defending such an action, thereby reducing the Group's profitability.

The Group is subject to review by tax authorities, and an incorrect interpretation of tax laws and regulations by the Group may have a material adverse effect on it.

The preparation of the tax returns of the Group requires the use of estimates and interpretations of complex tax laws and regulations and is subject to review by tax authorities. The Group is subject to the income tax laws of Spain and the other jurisdictions in which it operates. These tax laws are complex and subject to different interpretations by the taxpayer and relevant governmental tax authorities, which are sometimes subject to prolonged evaluation periods until a final resolution is reached. In establishing a provision for income tax expense and filing returns, the Group must make judgments and interpretations about the application of these inherently complex tax laws. If the judgment, estimates and assumptions that the Group uses in preparing its tax returns are subsequently found to be incorrect, there could be a material adverse effect on the Group's results of operations. In some jurisdictions, the interpretations of the tax authorities are unpredictable and frequently involve litigation, which introduces further uncertainty and risk as to tax expense.

The Group may not be able to detect or prevent money laundering and other financial crime activities fully or on a timely basis, which could expose the Group to additional liability and could have a material adverse effect on it.

The Group is required to comply with applicable AML, anti-terrorism, anti-bribery and corruption, sanctions and other laws and regulations applicable to it. These laws and regulations require the Group, among other things, to conduct full customer due diligence (including sanctions and politically-exposed person screening), keep its customer, account and transaction information up to date and have implemented financial crime policies and procedures in place detailing what is required

from those responsible. The Group is also required to conduct AML training for its employees and to report suspicious transactions and activity to appropriate law enforcement following full investigation by its local AML team.

Financial crime continues to be the subject of enhanced regulatory scrutiny and supervision by regulators globally. AML, anti-bribery and corruption and sanctions laws and regulations are increasingly complex and detailed. Key standard-setting and regulatory bodies continue to provide guidelines to strengthen the interaction and cooperation between prudential and AML/CFT supervisors. Compliance with these laws and regulations requires automated systems, sophisticated monitoring and skilled compliance personnel.

For example, Santander UK plc is cooperating with an FCA civil regulatory investigation which commenced in July 2017 regarding its compliance with the 2007 Money Laundering Regulations and potential breaches of FCA principles and rules relating to anti-money laundering and financial crime systems and controls. The FCA's investigation focuses primarily on the period of 2012 to 2017 and includes consideration of high risk customers including Money Service Businesses. At this point, the Group is unable to predict any potential liability resulting from the investigation including any financial penalty.

The Group maintains updated policies and procedures aimed at detecting and preventing the use of its banking network for money laundering and other financial crime related activities. However, emerging technologies, such as cryptocurrencies and innovative payment methods, could limit the Group's ability to track the movement of funds. The Group's ability to comply with the legal requirements depends on its ability to improve detection and reporting capabilities and reduce variation in control processes and oversight accountability. These require implementation and embedding within the Group's business effective controls and monitoring, which in turn requires on-going changes to systems and operational activities. Financial crime is continually evolving and, as noted, is subject to increasingly stringent regulatory oversight and focus. This requires proactive and adaptable responses from the Group so that it is able to deter threats and criminality effectively. As a global bank, the Group is particularly exposed to this risk. Even known threats can never be fully eliminated, and there will be instances where the Group may be used by other parties to engage in money laundering and other illegal or improper activities. In addition, the Group relies heavily on its employees to assist it by spotting such activities and reporting them, and the Group's employees have varying degrees of experience in recognizing criminal tactics and understanding the level of sophistication of criminal organizations. Where the Group outsources any of its customer due diligence, customer screening or anti financial crime operations, the Group remains responsible and accountable for full compliance and any breaches. If the Group is unable to apply the necessary scrutiny and oversight of third parties to whom the Group outsources certain tasks and processes, there remains a risk of regulatory breach.

If the Group is unable to comply fully with applicable laws, regulations and expectations, the Group's regulators and relevant law enforcement agencies have the ability and authority to impose significant fines and other penalties on the Group, including requiring a complete review of the Group's business systems, day-to-day supervision by external consultants and ultimately the revocation of the Group's banking license.

The reputational damage to the Group's business and global brand would be severe if the Group were found to have breached AML, anti-bribery and corruption or sanctions requirements. The Group's reputation could also suffer if it is unable to protect its customers' bank products and services from being used by criminals for illegal or improper purposes.

The Brazilian Federal Public Prosecutor's Office has charged one of Santander Brasil's officers in connection with the alleged bribery of a Brazilian tax auditor to secure favorable decisions in tax cases resulting in a claimed R$83 million (approximately U.S.$15 million) benefit to Santander Brasil. On 23 October 2018, the officer was formally indicted and asked to present his defense. On 5 November 2018, the officer in question presented his defense. The proceedings are currently in course. Santander Brasil is not a party to these proceedings. Santander Brasil has voluntarily provided information to the Brazilian authorities and has relinquished the benefit of certain tax credits to which the allegations relate in order to show good faith.

In addition, while the Group reviews its relevant counterparties' internal policies and procedures with respect to such matters, the Group expects relevant counterparties to maintain and properly apply their own appropriate compliance procedures and internal policies. Such measures, procedures and internal policies may not be completely effective in preventing third parties from using the Group's (and its relevant counterparties') services as a conduit for illicit purposes (including illegal cash operations) without the Group's (and its relevant counterparties') knowledge. If the Group is associated with, or even accused of being associated with, breaches of AML, anti-terrorism, or sanctions requirements the Group's reputation could suffer and/or it could become subject to fines, sanctions and/or legal enforcement (including being added to "watch lists" that would prohibit certain parties from engaging in transactions with us), any one of which could have a material adverse effect on the Group's operating results, financial condition and prospects.

Any such risks could have a material adverse effect on the Group's operating results, financial condition and prospects.

Changes in taxes and other assessments may adversely affect the Group.

The legislatures and tax authorities in the tax jurisdictions in which the Group operates regularly enact reforms to the tax and other assessment regimes to which the Group and its customers are subject. Such reforms include changes in tax rates and, occasionally, enactment of temporary taxes, the proceeds of which are earmarked for designated governmental purposes.

The effects of these changes and any other changes that result from enactment of additional tax reforms cannot be quantified and there can be no assurance that any such reforms would not have an adverse effect upon the Group's business.

Credit Risks

The credit quality of the Group's loan portfolio may deteriorate and the Group's loan loss reserves could be insufficient to cover its loan losses, which could have a material adverse effect on the Group.

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent to a wide range of the Group's businesses. Non-performing or low credit quality loans have in the past negatively impacted the Group's results of operations and could do so in the future. In particular, the amount of the Group's reported credit impaired loans may increase in the future as a result of growth in the Group's total loan portfolio, including as a result of loan portfolios that the Group may acquire in the future (the credit quality of which may turn out to be worse than the Group had anticipated), or factors beyond the Group's control, such as adverse changes in the credit quality of the Group's borrowers and counterparties or a general deterioration in economic conditions in the regions where the Group operates or in global economic and political conditions, including as a result of a prolonged covid-19 pandemic or a weaker-than-expected economic recovery after the covid-19 pandemic. If the Group is unable to control the level of its credit impaired or poor credit quality loans, this could have a material adverse effect on the Group.

The Group's loan loss reserves are based on its current assessment of and expectations concerning various factors affecting the quality of the Group's loan portfolio. These factors include, among other things, the Group's borrowers' financial condition, repayment abilities and repayment intentions, the realizable value of any collateral, the prospects for support from any guarantor, government macroeconomic policies, interest rates and the legal and regulatory environment. Because many of these factors are beyond the Group's control and there is no infallible method for predicting loan and credit losses, the Group cannot assure that its current or future loan loss reserves will be sufficient to cover actual losses. If the Group's assessment of and expectations concerning the above-mentioned factors differ from actual developments, if the quality of the Group's total loan portfolio deteriorates, for any reason, or if the future actual losses exceed the Group's estimates of expected losses, the Group may be required to increase its loan loss reserves, which may adversely affect the Group. Additionally, in calculating the Group's loan loss reserves, it employs qualitative tools and statistical models which may not be reliable in all circumstances and which are dependent upon data that may not be complete. For further details regarding the Group's risk management policies, see risk factor "Failure to successfully implement and continue to improve the Group's risk management policies, procedures and methods, including the Group's credit risk management system, could materially and adversely affect the Group, and the Group may be exposed to unidentified or unanticipated risks".

On 31 December 2021, the Group's credit risk (which includes gross loans and advances to customers, guarantees and documentary credits) amounted to EUR 1,051,115 million (compared to EUR 989,456 million as of 31 December 2020).

The Group's loan portfolio is mainly located in Europe (in particular, Spain and the UK), North America (in particular the United States) and South America (in particular Brazil). At 31 December 2021, Europe accounted for 61% of the Group's total loan portfolio (Spain accounted for 20% of the

Group's total loan portfolio and the UK, where the loan portfolio consists primarily of residential mortgages, accounted for 27%), North America accounted for 14% (of which the United States represents 11% of the Group's total loan portfolio) South America accounted for 13% (of which Brazil represents 8% of the Group's total loan portfolio) and the Digital Consumer Bank segment (primarily Europe) accounted for 11%. Mortgage loans are one of the Group's principal assets, comprising 44% of its loan portfolio as of 31 December 2021. The Group's exposure is largely derived from residential mortgage loans, especially in Spain and the UK. If Spain or the UK experience situations of economic stagnation, persistent housing oversupply, decreased housing demand, rising unemployment levels, subdued earnings growth, greater pressure on disposable income, a decline in the availability of mortgage finance or continued global markets volatility, for instance, home prices could decline, while mortgage delinquencies, forbearances and the Group's NPL ratio could increase, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations. At 31 December 2021, the NPL ratio of residential mortgage loans for the Group in Spain and the UK was 2.78% and 1.01%, respectively. At 31 December 2021, the Group's total Group NPL ratio stood at 3.16% as compared to 3.21% at 31 December 2020. Coverage as of 31 December 2021 was 71.3% as compared to 76.4% a year earlier.

Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss (net) in 2021 was EUR 7,407 million, a 40% decrease as compared to 2020 mainly due to expected credit losses arising from the covid-19 pandemic that were not repeated in 2021.

At 31 December 2021, the gross amount of the Group's refinancing and restructuring operations was EUR 36,043 million (4% of total gross loans and credits), of which EUR 11,684 million have real estate collateral. At the same date, the net amount of non-current assets held for sale totalled EUR 4,089 million, of which EUR 3,651 million were foreclosed assets, with a coverage ratio of 48% on the gross amount of these assets.

The value of the collateral securing the Group's loans may not be sufficient, and the Group may be unable to realize the full value of the collateral securing its loan portfolio.

The value of the collateral securing the Group's loan portfolio may fluctuate or decline due to factors beyond the Group's control, including as a result of a prolonged covid-19 pandemic or weaker than expected economic recovery after the covid-19 pandemic and macroeconomic factors affecting Europe, North American countries and South American countries. The value of the collateral securing the Group's loan portfolio may be adversely affected by force majeure events, such as natural disasters (including as a result of climate change), particularly in locations where a significant portion of the Group's loan portfolio is composed of real estate loans. The Group may also not have sufficiently recent information on the value of collateral, which may result in an inaccurate assessment for impairment losses of the Group's loans secured by such collateral. If any of the above were to occur, the Group may need to make additional provisions to cover actual impairment losses of its loans, which may materially and adversely affect the Group's results of operations and financial condition.

At 31 December 2021, 44% of the Group's loans and advances to customers have property collateral while 21% have other types of collateral (securities, pledges and others).

In addition, auto industry technology changes, accelerated by environmental rules, could affect the Group's auto consumer business in the EU and the US, particularly residual values of leased vehicles, which could have a material adverse effect on the Group's operating results, financial condition and prospects.

The Group is subject to counterparty risk in its banking business

The Group is exposed to counterparty risk in addition to credit risks associated with lending activities. Counterparty risk may arise from, for example, investing in securities of third parties, entering into derivative contracts under which counterparties have obligations to make payments to the Group or executing securities, futures, currency or commodity trades from proprietary trading activities that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, clearing houses or other financial intermediaries.

The Group routinely transacts with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual funds, hedge funds and other institutional clients. Defaults by, and even rumours or questions about the solvency of, certain financial institutions and the financial services industry generally have led to market-wide liquidity problems and could lead to losses or defaults by other institutions. Many of the routine transactions the Group enters into expose the Group to significant credit risk in the event of default by one of its significant counterparties.

Operational and Technology Risks

Any failure to improve or upgrade the Group's information technology infrastructure and information management systems in an effective, timely and cost-effective manner, including in response to new or modified cybersecurity and data privacy laws, rules and regulations, could have a material adverse effect on the Group.

The Group's ability to remain competitive depends in part on its ability to upgrade its information technology in an effective, timely and cost-effective manner. The Group must continually make significant investments in, and improvements to, its information technology infrastructure and information management systems in order to meet the needs of its customers. The Group cannot guarantee that in the future it will be able to maintain the level of capital expenditures necessary to support the continuous improvement and upgrading of its information technology infrastructure and information management systems. To the extent the Group is dependent on any particular technology or technological solution, it may be harmed if such technology or technological solution becomes non-compliant with existing industry standards or applicable laws, rules or regulations, fails to meet or exceed the capabilities of its competitors' equivalent technologies or technological solutions, becomes increasingly expensive to service, retain and update, becomes subject to third-party claims of intellectual property infringement, misappropriation or other violation, or malfunctions or functions in a way it did not anticipate. Additionally, new technologies and technological solutions are continually being released. As such, it is difficult to predict the problems the Group may encounter in improving its technologies' functionality. There is no assurance that the Group will be able to successfully adopt

new technology as critical systems and applications become obsolete and better ones become available. Any failure to effectively improve or upgrade the Group's information technology infrastructure and information management systems in an effective, timely and cost-efficient manner could have a material adverse effect on the Group.

Data breaches and other security incidents with respect to the Group's or its third-party vendors' systems could adversely affect the Group's business or reputation, and create significant legal, regulatory or financial exposure.

Like other financial institutions, the Group receives, manages, holds, transmits and otherwise processes certain proprietary, sensitive or confidential information, including personal information of customers and employees in the conduct of its banking operations, as well as a large number of assets. Accordingly, the Group's business depends on its ability to process a large number of transactions efficiently and accurately, and on its ability to rely on its digital technologies, computer and email services, software and networks, as well as on the secure storage, transmission and other processing of confidential, sensitive or personal data and other information using its computer systems and networks or those of its third-party vendors. The proper and secure functioning of the Group's financial controls, accounting and other data collection and processing systems is critical to its business and to its ability to compete effectively. Data breaches, security incidents and data losses can result from, among other things, inadequate personnel, inadequate or failed internal control processes and systems, or external events or actors that interrupt normal business operations. The Group also face the risk that the design of its or its third-party vendors' cybersecurity controls and procedures prove to be inadequate or are circumvented such that its data or client records are incomplete, not recoverable or not securely stored. Any material disruption or slowdown of the Group's systems could cause information, including data related to customer requests, to be lost or to be delivered to its clients with delays or errors, which could reduce demand for its services and products, could produce customer claims and could materially and adversely affect the Group.

Although the Group works with its clients, vendors, service providers, counterparties and other third parties to develop secure data and information processing, collection, authentication, management, usage, storage and transmission capabilities and to ensure the eventual destruction of sensitive and confidential information, including personal information, to prevent against information security risk, the Group routinely manages personal, confidential and proprietary information by electronic means, and the Group, its third-party vendors or other third parties with which it do business may be the target of attempted cyber-attacks or subject to other information security incidents or breaches. This is especially applicable in the current environment, which is still being affected by the covid-19 pandemic, and the shift to work-from-home policies for a significant portion of its workforce, as they access the Group's secure networks remotely. If the Group cannot maintain effective and secure electronic data and information (including personal information), management and processing systems or if the Group fails to maintain complete physical and electronic records, it could result in disruptions to the Group's operations, litigation or claims from customers, regulators, employees and other third parties, violations of applicable privacy and other laws, rules or regulations, regulatory sanctions and serious reputational and financial harm to the Group.

Although the Group takes protective measures and monitor and develop its systems to protect its technology infrastructure, data and information from misappropriation or corruption, the Group and its third-party vendors' systems, software and networks nevertheless may be vulnerable to breaches, disruptions, failures or other security incidents caused by, among other things, unauthorized access or misuse, malware and ransomware affecting its services and end-user technologies, social engineering and phishing attacks, denial-of-service attacks, misconduct, fraud, and other events that could have a serious impact on the Group. Although the Group has procedures and controls in place to safeguard personal and other confidential or sensitive information in its possession, the Group has been and continues to be subject to a range of cyber-attacks, such as denial of service, malware and phishing attacks. While the Group generally perform cybersecurity due diligence on its key vendors, because the Group does not control its vendors and its ability to monitor their cybersecurity is limited, the Group cannot ensure the cybersecurity measures they take will be sufficient to protect any information it shares with them. Due to applicable laws and regulations or contractual obligations, the Group may be held responsible for security breaches, cyber-attacks or other similar incidents attributed to its vendors as they relate to the information it shares with them. Moreover, it is not always possible to deter or prevent employee misconduct, and the precautions the Group takes to detect and prevent this activity may not always be effective.

In addition, the Group may also be impacted by cyber-attacks against national critical infrastructures of the countries where it operates, such as telecommunications networks. The Group's information technology systems are dependent on such national critical infrastructure and any cyber-attack against such critical infrastructure could negatively affect its ability to service its customers. As the Group does not operate such national critical infrastructure, it has limited ability to protect its information technology systems from the adverse effects of such a cyber-attack.

The Group has seen in recent years the information technology and computer systems of companies and organizations being increasingly targeted, and the techniques used to obtain unauthorized, improper or illegal access to information technology and computer systems have become increasingly complex and sophisticated. Furthermore, such techniques change frequently and are often not recognized or detected until after they have been launched and can originate from a wide variety of sources, including not only cyber criminals, but also activists and terrorists, nation states, nation state supported actors and others. As attempted attacks continue to evolve in scope and sophistication, the Group may incur significant costs in order to modify or enhance its protective measures against such attacks, or to investigate or remediate any vulnerability or resulting breach, or in communicating cyberattacks to its customers, affected individuals or regulators, as applicable.

If the Group or its third-party vendors fall victim to successful cyberattacks, penetrations, compromises, breaches or circumventions of its information technology systems or experience other security incidents in the future, the Group may incur substantial costs and suffer other negative consequences, such as disruption to its operations, misappropriation of personal, proprietary, confidential or sensitive information, remediation costs (including liabilities for stolen assets or information, repairs of system damage, among others), increased cybersecurity protection costs, lost revenues arising from the unauthorized use of personal, proprietary, confidential or sensitive

information or the failure to retain or attract its customers following an operational or security incident, litigation and legal risks (including regulatory action, reporting obligations, investigation, fines and penalties), increased insurance premiums, reputational damage affecting its customers' and the investors' confidence, as well as damages to its competitiveness, stock price and long-term shareholder value. In addition, the Group's remediation efforts may not be successful, and it may not have adequate insurance to cover these losses. Moreover, even when a failure of or interruption in the Group's or its third-party vendors' systems or facilities is resolved in a timely manner or an attempted cyber-attack, data breach or security incident is successfully avoided or thwarted, substantial resources and management attention are expended in doing so, and to successfully avoid or resolve any such incidents, the Group may be required to take actions that could adversely affect customer satisfaction or retention, as well as harm its reputation.

The Group relies on third parties and affiliates for important products and services.

Third party vendors and certain affiliated companies provide key components of the Group's business infrastructure such as loan and deposit servicing systems, back office and business process support and software, information technology production and support, internet connections and network access, including cloud based services, as well as those of its service providers. Relying on these third parties and affiliated companies can be a source of operational and regulatory risk to the Group, including with respect to security breaches affecting such parties. The Group is also subject to risk with respect to security breaches affecting the vendors and other parties that interact with these service providers. As the Group's interconnectivity with these third parties and affiliated companies increases, it increasingly faces the risk of operational failure with respect to their systems. The Group may be required to take steps to protect the integrity of its operational systems, thereby increasing its operational costs and potentially decreasing customer satisfaction.

In addition, any problems caused by these third parties or affiliated companies, including as a result of them not providing the Group with their services for any reason, or performing their services poorly, could adversely affect the Group's ability to deliver products and services to customers and otherwise conduct its business, which could lead to reputational damage and regulatory investigations and intervention. While the Group has diversified providers for the main services and keep strict and close monitoring on them, in some instances, replacing these third party vendors could also entail significant delays and expense. Further, the operational and regulatory risk the Group faces as a result of these arrangements may be increased to the extent that it restructures such arrangements. Any restructuring could involve significant expense to the Group and entail significant delivery and execution risk which could have a material adverse effect on its business, operations and financial condition.

Liquidity and Funding Risks

Liquidity and funding risks are inherent in the Group's business and could have a material adverse effect on the Group.

Liquidity risk is the risk that the Group either does not have sufficient financial resources available to meet its obligations as they are due or can only secure them at excessive cost. This risk is inherent in

any banking business and can be heightened by a number of enterprise-specific factors, including over-reliance on a particular source of funding, changes in credit ratings or market-wide phenomena such as market dislocation, including as a result of the covid-19 pandemic. While the Group has in place liquidity management processes to mitigate and control these risks, as well as an organizational model based on autonomous subsidiaries in terms of capital and liquidity which limits the possibility of contagion between them, systemic market factors make it difficult to eliminate these risks completely. Constraints in the supply of liquidity, including in inter-bank lending, could materially and adversely affect the cost of funding of the Group's business, and extreme liquidity constraints may affect the Group's current operations and its ability to fulfil regulatory liquidity requirements, as well as limit growth possibilities.

The Group's cost of obtaining funding is directly related to prevailing interest rates and to the Group's credit spreads. Increases in interest rates and/or in the Group's credit spreads could significantly increase the cost of the Group's funding. Credit spreads variations are market-driven and may be influenced by market perceptions of its creditworthiness. Changes to interest rates and the Group's credit spreads may occur frequently and could be unpredictable and highly volatile.

The Group relies, and will continue to rely, primarily on retail deposits to fund lending activities. The ongoing availability of this type of funding is sensitive to a variety of factors beyond the Group's control, such as general economic conditions and the confidence of retail depositors in the economy and in the financial services industry, and the availability and extent of deposit guarantees, as well as competition for deposits between banks or with other products, such as mutual funds. Any of these factors could increase the amount of retail deposit withdrawals in a short period of time, thereby reducing the Group's ability to access retail deposit funding on appropriate terms, or at all, in the future. If these circumstances were to arise, this could have a material adverse effect on the Group's operating results, financial condition and prospects.

Central banks took extraordinary measures to increase liquidity in the financial markets as a response to the financial crisis and the covid-19 crisis. If these facilities, which are starting to be progressively reduced, were to be rapidly removed, this could have an adverse effect on the Group's ability to access liquidity and on the Group's funding costs.

Additionally, the Group's activities could be adversely impacted by liquidity tensions arising from generalized drawdowns of committed credit lines to its customers.

The Group cannot assure that in the event of a sudden or unexpected shortage of funds in the banking system, it will be able to maintain levels of funding without incurring high funding costs, a reduction in the term of funding instruments or the liquidation of certain assets. If this were to happen, the Group could be materially adversely affected.

Finally, the implementation of internationally accepted liquidity ratios might require changes in business practices that affect the Group's profitability. The LCR is a liquidity standard that measures if banks have sufficient high-quality liquid assets to cover expected net cash outflows over a 30-day liquidity stress period. At 31 December 2021, the Group's LCR ratio was 163%, above the 100%

minimum requirement. The NSFR provides a sustainable maturity structure of assets and liabilities such that banks maintain a stable funding profile in relation to their activities. At the end of 2021, this ratio stood at 126% for the Group and over 100% for all of its main subsidiaries.

Credit, market and liquidity risk may have an adverse effect on the credit rating of the Group and its costs of funds. Any downgrade in the credit rating of the Group would likely increase its cost of funding, require the Group to post additional collateral or take other actions under some of its derivative and other contracts and adversely affect its interest margins and results of operations.

Credit ratings affect the cost and other terms upon which the Group is able to obtain funding. Rating agencies regularly evaluate the Group, and their ratings of the Group's debt are based on a number of factors, including its financial strength and conditions affecting the financial services industry. In addition, due to the methodology of the main rating agencies, the Group's credit rating is affected by the rating of Spanish sovereign debt. If Spain's sovereign debt is downgraded, the Group's credit rating would also likely be downgraded.

Any downgrade in the Group's debt credit ratings would likely increase its borrowing costs and require the Group to post additional collateral or take other actions under some of the Group's derivative and other contracts, and could limit its access to the capital markets and adversely affect the Group's commercial business. For example, a ratings downgrade could adversely affect the Group's ability to sell or market some of its products, engage in certain longer-term and derivatives transactions and retain the Group's customers, particularly customers who need a minimum rating threshold in order to invest. In addition, under the terms of certain of the Group's derivative contracts and other financial commitments, it may be required to maintain a minimum credit rating or terminate such contracts or require the posting of collateral. Any of these results of a ratings downgrade could reduce the Group's liquidity and have an adverse effect on the Group, including its operating results and financial condition.

The Group received the following ratings by the major rating agencies as of the last report dates indicated below:

Banco Santander

Rating agency	Long term	Short term	Last report date	Outlook
Fitch Ratings	A-	F2	May 2022	Stable
Moody's	A2	P-1	July 2021	Stable
Standard & Poor's	A+	A-1	July 2022	Stable
DBRS	A (High)	R-1 (Middle)	October 2022	Stable

Santander UK, plc

Rating agency	Long term	Short term	Last report date	Outlook
Fitch Ratings	A+	F1	March 2022	Stable
Moody's	A1	P-1	October 2021	Stable
Standard & Poor's	A	A-1	March 2022	Stable

Banco Santander (Brasil)

Rating agency	Long term	Short term	Last report date	Outlook
Moody's	Ba1	-	December 2020	Stable
Standard & Poor's	BB-	B	August 2020	Stable

The Group conducts substantially all of its material derivative activities through Banco Santander and Santander UK. The Group estimates that as of 31 December 2021, if all the rating agencies were to downgrade Banco Santander's long-term senior debt ratings by one notch the Group would be required to post up to EUR 177 million in additional collateral pursuant to derivative and other financial contracts. A hypothetical two-notch downgrade would result in a further requirement to post up to EUR 474 million in additional collateral. The Group estimates that as of 31 December 2021, if all the rating agencies were to downgrade Santander UK's long-term credit ratings by one notch, and thereby trigger a short-term credit rating downgrade, this could result in contractual outflows from Santander UK's total liquid assets of £0.5 billion of cash and additional collateral that Santander UK would be required to post under the terms of secured funding and derivatives contracts. A hypothetical two-notch downgrade would result in a further outflow of £0.8 billion of cash and collateral under secured funding and derivatives contracts.

While certain potential impacts of these downgrades are contractual and quantifiable, the full consequences of a credit rating downgrade are inherently uncertain, as they depend on numerous dynamic, complex and inter-related factors and assumptions, including market conditions at the time of any downgrade, whether any downgrade of the Group's long-term credit rating precipitates downgrades to the Group's short-term credit rating, and assumptions about the potential behaviours of various customers, investors and counterparties. Actual outflows could be higher or lower than the preceding hypothetical examples, depending upon certain factors including which credit rating agency downgrades the Group's credit rating, any management or restructuring actions that could be taken to reduce cash outflows and the potential liquidity impact from loss of unsecured funding (such as from money market funds) or loss of secured funding capacity. Although unsecured and secured funding stresses are included in the Group's stress testing scenarios and a portion of the Group's total liquid assets is held against these risks, a credit rating downgrade could still have a material adverse effect on the Group.

In addition, if the Group were required to cancel its derivatives contracts with certain counterparties and were unable to replace such contracts, the Group's market risk profile could be altered.

There can be no assurance that the rating agencies will maintain the current ratings or outlooks. In general, the future evolution of the Group's ratings is linked, to a large extent, to the general macroeconomic outlook, which includes the impact of the covid-19 pandemic (including, for example, new variants, new lockdowns, etc.) on its asset quality, profitability and capital. Failure to maintain favourable ratings and outlooks could increase the Group's cost of funding and adversely affect interest margins, which could have a material adverse effect on the Group.

Market Risks

The Group's financial results are constantly exposed to market risk. The Group is subject to fluctuations in interest rates and other market risks, which may materially and adversely affect the Group and its profitability.

The covid-19 pandemic and the military conflict between Russia and Ukraine caused and could still cause high market volatility, which could materially and adversely affect the Group and its trading and banking book.

Economic activities exposed to market risk include (i) transactions where risk is assumed as a consequence of potential changes in interest rates, inflation rates, exchange rates, stock prices, credit spreads, commodity prices, volatility and other market factors; (ii) the liquidity risk from the Group's products and markets; and (iii) the balance sheet liquidity risk.

As described below, market risk affects (i) the Group's interest income / (charges); (ii) the market value of the Group's assets and liabilities, in particular of its securities holdings, loans and deposits and derivatives transactions; and (iii) other areas of the Group's business such as the volume of loans originated or credit spreads.

The performance of financial markets may cause changes in the value of the Group's investment and trading portfolios. The volatility of world equity markets due to the continued economic uncertainty and sovereign debt crisis has had a particularly strong impact on the financial sector. Continued volatility may affect the value of the Group's investments in equity securities and, depending on their fair value and future recovery expectations, could become a permanent impairment which would be subject to write-offs against its results. Market risk could include unexpected or unpredictable risks related to periods in which the market does not calculate prices efficiently (for example, during market interruptions or shocks). Variations in the Group's interest income / (charges) are sensitive to many factors beyond the Group's control, including increased regulation of the financial sector, monetary policies and domestic and international economic and political conditions. Variations in interest rates could affect the interest earned on the Group's assets and the interest paid on its borrowings, thereby affecting the Group's interest income / (charges), which comprises the majority of its revenue, reducing the Group's growth rate and potentially resulting in losses. In addition, costs the Group incurs as it implements strategies to reduce interest rate exposure could increase in the future (which, in turn, will impact its results).

Due to the historically low interest rate environment in the eurozone, in the UK and in the US in recent years, the rates on many of the Group's interest-bearing deposit products were priced at or near zero or negative, limiting the Group's ability to further reduce rates and thus negatively impacting the Group's margins.

Under the current macroeconomic scenario, central banks have increased interest rates to contain inflation and further increases are expected in the coming months.

Increases in interest rates may reduce the volume of loans the Group originates. Sustained high interest rates have historically discouraged customers from borrowing and have resulted in increased delinquencies in outstanding loans and deterioration in the quality of assets. Increases in interest rates may reduce the value of the Group's financial assets and may reduce gains or require the Group to record losses on sales of the Group's loans or securities.

At 31 December 2021, the risk on net interest income over a one year period, measured as the sensitivity to parallel changes in the worst-case scenario of ±100 basis points, (i) was positive in Europe (i.e., a decrease in interest rates would potentially produce a decrease in net interest income) and mainly in the euro, at EUR 703 million, the British pound at EUR 541 million, the Polish zloty at EUR 65 million; and the US dollar at EUR 54 million; (ii) was positive in North America (i.e., a decrease in interest rates would potentially produce a decrease in net interest income) and the risk was mainly located in the US (EUR 152 million); and (iii) was negative in South America (i.e., an increase in interest rates would potentially produce a decrease in net interest income) and was mainly found in Chile (EUR 86 million) and Brazil (EUR 83 million).

Variations in the market value of the Group's assets and liabilities

The market risk in relation to the change in the market value of the Group's assets and liabilities refers to the loss of value of assets or increase in the value of liabilities due to fluctuations in their prices in the markets where those assets or liabilities are traded, or even if not traded, in the value that a third party outside the Group would be willing to offer in a hypothetical transaction.

The standard methodology that the Group applies for risk management is Value at Risk (VaR), which measures the maximum expected loss within a certain confidence level and time frame.

In relation to structural balance sheet risks:

- At 31 December 2021, the maximum expected loss in the value of assets and liabilities due to variations in interest rate was EUR 287.8 million (EUR 345.5 million and EUR 629.7 million at 31 December 2020 and 2019, respectively), measured with a VaR confidence level of 99% and a temporary horizon of one day.

- At 31 December 2021, the maximum expected loss in the value of assets and liabilities due to variations in exchange rate was EUR 655.2 million (EUR 502.6 million and EUR 331.7 million at 31 December 2020 and 2019, respectively), measured with a VaR confidence level of 99% and a temporary horizon of one day.

- At 31 December 2021, the maximum expected loss in the value of assets and liabilities due to variations in equity portfolio was EUR 309.1 million (EUR 318.5 million and EUR 169.8 million at 31 December 2020 and 2019, respectively), measured with a VaR confidence level of 99% and a temporary horizon of one day.

In relation to the trading portfolio, the Santander Corporate & Investment Banking segment VaR closed 31 December 2021 with EUR 12.3 million.

The Group is also exposed to foreign exchange rate risk as a result of mismatches between assets and liabilities denominated in different currencies. Fluctuations in the exchange rate between currencies may negatively affect its earnings and value of its assets and securities.

If any of these risks were to materialize, the Group's net interest income or the market value of the its assets and liabilities could suffer a material adverse impact.

The Group is subject to market, operational and other related risks associated with the Group's derivative transactions that could have a material adverse effect on it.

The Group enters into derivative transactions for trading purposes as well as for hedging purposes. The Group is subject to market, credit and operational risks associated with these transactions, including basis risk (the risk of loss associated with variations in the spread between the asset yield and the funding and/or hedge cost) and credit or default risk (the risk of insolvency or other inability of the counterparty to a particular transaction to perform its obligations thereunder, including providing sufficient collateral).

Market practices and documentation for derivative transactions differ by country. In addition, the execution and performance of these transactions depend on the Group's ability to maintain adequate control and administration systems. Moreover, the Group's ability to adequately monitor, analyse and report derivative transactions continues to depend, largely, on the Group's information technology systems. These factors further increase the risks associated with these transactions and could have a material adverse effect on the Group.

At 31 December 2021, the notional value of the trading derivatives in the Group's books amounted to EUR 5,470,797 million (with a market value of EUR 54,292 million of debit balance and EUR 53,566 million of credit balance).

At 31 December 2021, the nominal value of the hedging derivatives in the Group's books within its financial risk management strategy and with the aim of reducing asymmetries in the accounting treatment of its operations amounted to EUR 392,948 million (with market value of EUR 4,761 million in assets and EUR 5,463 million in liabilities).

Market conditions have resulted and could result in material changes to the estimated fair values of the Group's financial assets. Negative fair value adjustments could have a material adverse effect on the Group's operating results, financial condition and prospects.

In the past, financial markets have been subject to significant stress resulting in steep falls in perceived or actual financial asset values, particularly due to volatility in global financial markets and the resulting widening of credit spreads, including as a result of the covid-19 pandemic. The Group has material exposures to securities, loans and other investments that are recorded at fair value and are therefore exposed to potential negative fair value adjustments. Asset valuations in future periods, reflecting then-prevailing market conditions, may result in negative changes in the fair values of the Group's financial assets and these may also translate into increased impairments. In addition, the value ultimately realized by the Group on disposal may be lower than the current fair value. Any of these

factors could require the Group to record negative fair value adjustments, which may have a material adverse effect on the Group's operating results, financial condition or prospects.

In addition, to the extent that fair values are determined using financial valuation models, such values may be inaccurate or subject to change, as the data used by such models may not be available or may become unavailable due to changes in market conditions, particularly for illiquid assets, and particularly in times of economic instability. In such circumstances, the Group's valuation methodologies require it to make assumptions, judgments and estimates in order to establish fair value, and reliable assumptions are difficult to make and are inherently uncertain and valuation models are complex, making them inherently imperfect predictors of actual results. Any consequential impairments or write-downs could have a material adverse effect on the Group's operating results, financial condition and prospects.

Risk Related to the Group's Industry

Goodwill impairments may be required in relation to acquired businesses.

The Group has made business acquisitions in recent years and may make further acquisitions in the future. It is possible that the goodwill which has been attributed, or may be attributed, to these businesses may have to be written-down if the Group's valuation assumptions are required to be reassessed as a result of any deterioration in their underlying profitability, asset quality and other relevant matters. Impairment testing in respect of goodwill is performed annually, or more frequently if there are impairment indicators present, and comprises a comparison of the carrying amount of the cash-generating unit with its recoverable amount. Goodwill impairment does not, however, affect the Group's regulatory capital. In 2019, the Group recognized an impairment of goodwill of EUR 1,491 million in Santander UK. In 2020, considering the economic and business environment resulting from covid-19, the Group recognized an impairment of goodwill of EUR 10,100 million (of which EUR 6,101 million correspond to Santander UK, EUR 1,192 million to Santander Bank Polska, EUR 1,177 million to Santander Bank, National Association, EUR 1,153 million to Santander Consumer USA, and EUR 277 million to Santander Consumer Nordics). In 2021, the Group recognized an impairment of goodwill of EUR 6 million. See note 17 of to the 2021 Financial Statements. There can be no assurances that the Group will not have to write down the value attributed to goodwill in the future, which would adversely affect its results and net assets.

Changes in the Group's pension liabilities and obligations could have a material adverse effect on the Group.

The Group provides retirement benefits for many of the Group's former and current employees through a number of defined benefit pension plans. The Group calculates the amount of the Group's defined benefit obligations using actuarial techniques and assumptions, including mortality rates, the rate of increase of salaries, discount rates, inflation, the expected rate of return on plan assets and others. The accounting and disclosures are based on the International Financial Reporting Standards issued by the International Accounting Standards Board (the "**IFRS-IASB**") and on those other requirements defined by the local supervisors. Given the nature of these obligations, changes in the

assumptions that support valuations, including market conditions, can result in actuarial losses which would in turn impact the financial condition of the Group's pension funds. Because pension obligations are generally long term obligations, fluctuations in interest rates have a material impact on the projected costs of the Group's defined benefit obligations and therefore on the amount of pension expense that the Group accrues.

Any increase in the current size of the funding deficit in the Group's defined benefit pension plans could result in the Group's having to make increased contributions to reduce or satisfy the deficits, which would divert resources from use in other areas of the Group's business. Any such increase may be due to certain factors over which the Group has no or limited control. Increases in the Group's pension liabilities and obligations could have a material adverse effect on the Group's business, financial condition and results of operations.

At 31 December 2021, the Group's provision for pensions and other obligations amounted to EUR 4,427 million. See more information in note 25(c) to the 2021 Financial Statements.

The Group depends in part upon dividends and other funds from subsidiaries.

Some of the Group's operations are conducted through its financial services subsidiaries. As a result, the Group's ability to pay dividends, to the extent it decides to do so, depends in part on the ability of its subsidiaries to generate earnings and to pay dividends to the Group. Payment of dividends, distributions and advances by the Group's subsidiaries will be contingent upon their earnings and business considerations and is or may be limited by legal, regulatory and contractual restrictions. For instance, the repatriation of dividends from the Group's Argentine subsidiaries have been subject to certain restrictions. Additionally, the Group's right to receive any assets of any of its subsidiaries as an equity holder of such subsidiaries upon their liquidation or reorganization will be effectively subordinated to the claims of its subsidiaries' creditors, including trade creditors. The Group also has to comply with increased capital requirements, which could result in the imposition of restrictions or prohibitions on discretionary payments including the payment of dividends and other distributions to the Group by its subsidiaries. For instance, the ECB adopted on 27 March 2020 its Recommendation ECB 2020/19, recommending banks not to pay dividends or buy back shares during the covid-19 pandemic until at least 1 October 2020. On 28 July 2020, the ECB extended this recommendation until 1 January 2021. On 15 December 2020, the ECB issued its Recommendation 2020/62 on dividend distributions during the covid-19 pandemic, repealing its previous recommendation on this matter, and recommending that banks under the scope of its direct supervision exercise extreme prudence on dividends and share buy-backs. The ECB asked banks to consider not distributing any cash dividends or conducting share buy-backs, or to limit such distributions until 30 September 2021. Given the uncertainty over the economic impact of the covid-19 pandemic, the ECB also considered that it would not have been prudent at the time for credit institutions to make a distribution or conduct share buy-backs amounting to more than 15% of their accumulated profit for the financial years 2019 and 2020, or more than 20 basis points in terms of the CET1 ratio, whichever was lower. Lastly, on 23 July 2021, when the macroeconomic projections confirmed the economic rebound and pointed to a further reduction in the level of economic uncertainty, the ECB decided not to extend its previous recommendation that all banks limit dividend distributions beyond 30 September 2021. Instead,

supervisors will assess the capital and distribution plans of each bank as part of the regular supervisory process.

In relation to the UK, on 31 March 2020, the Prudential Regulation Authority ("**PRA**") at the Bank of England sent a letter to Santander UK requesting to suspend the payment of dividends until the end of 2020. On 10 December 2020, the PRA published its statement on capital distributions by large UK banks, on which it stated that there was scope for banks to recommence some distributions should their boards choose to do so, within an appropriately prudent framework. In connection with full-year 2020 results, the PRA considered that distributions should not exceed the highest of 20 basis points of RWAs at the end of 2020 or 25% of cumulative eight-quarter profits covering 2019 and 2020 after deducting prior shareholder distributions over that period. Dividend income from Santander UK Group Holdings Ltd in 2021 amounted to EUR 1,654.5 million. On 13 July 2021, the PRA, taking into account the interim results of the 2021 stress tests, judged that banks remained well capitalized and resilient and that the level of uncertainty had decreased significantly since December 2020. Therefore, it concluded that the extraordinary guardrails, within which it asked bank boards to determine the appropriate level of distributions in relation to full-year 2020 results were no longer necessary and removed them with immediate effect.

In June 2020, the Federal Reserve Board imposed limitations on capital distributions for certain bank holding companies, including Santander Holding USA, which took effect in the third quarter of 2020. In March, 2021, the Federal Reserve Board announced that it would not extend these temporary limitations after the second quarter of 2021 and, effective 1 July 2021, these limitations expired.

To the extent that these recommendations, or other similar measures that may be taken by supervisory authorities from other geographies, are applied by some of the Group's subsidiaries, it could have a material adverse effect on its business, financial condition and results of operations.

At 31 December 2021, dividend income for the Bank represented 48% of its total income.

Increased competition, including from non-traditional providers of banking services such as financial technology providers, and industry consolidation may adversely affect the Group's results of operations.

The Group faces substantial competition in all parts of its business, including in payments, in originating loans and in attracting deposits. The competition in originating loans comes principally from other domestic and foreign banks, mortgage banking companies, consumer finance companies, insurance companies and other lenders and purchasers of loans.

In addition, there has been a trend towards consolidation in the banking industry, which has created larger banks with which the Group must now compete. There can be no assurance that this increased competition will not adversely affect the Group's growth prospects, and therefore its operations. The Group also faces competition from non-bank competitors, such as brokerage companies, department stores (for some credit products), leasing and factoring companies, mutual fund and pension fund management companies and insurance companies.

Non-traditional providers of banking services, such as internet based e-commerce providers, mobile telephone companies and internet search engines may offer and/or increase their offerings of financial products and services directly to customers. These non-traditional providers of banking services currently have an advantage over traditional providers because they are not subject to banking regulation. Several of these competitors may have long operating histories, large customer bases, strong brand recognition and significant financial, marketing and other resources. They may adopt more aggressive pricing and rates and devote more resources to technology, infrastructure and marketing.

New competitors may enter the market or existing competitors may adjust their services with unique product or service offerings or approaches to providing banking services. If the Group is unable to successfully compete with current and new competitors, or if the Group is unable to anticipate and adapt its offerings to changing banking industry trends, including technological changes, its business may be adversely affected. In addition, the Group's failure to effectively anticipate or adapt to emerging technologies or changes in customer behaviour, including among younger customers, could delay or prevent its access to new digital-based markets, which would in turn have an adverse effect on the Group's competitive position and business. Furthermore, the widespread adoption of new technologies, including distributed ledger, artificial intelligence and/or biometrics, to provide services such as cryptocurrencies and payments, could require substantial expenditures to modify or adapt its existing products and services as it continues to grow the Group's internet and mobile banking capabilities. The Group's customers may choose to conduct business or offer products in areas that may be considered speculative or risky. Such new technologies and mobile banking platforms in recent years could negatively impact the value of the Group's investments in bank premises, equipment and personnel for its branch network. The persistence or acceleration of this shift in demand towards internet and mobile banking may necessitate changes to the Group's retail distribution strategy, which may include closing and/or selling certain branches and restructuring its remaining branches and work force. These actions could lead to losses on these assets and may lead to increased expenditures to renovate, reconfigure or close a number of the Group's remaining branches or to otherwise reform its retail distribution channel. Furthermore, the Group's failure to implement such changes to its distribution strategy swiftly and effectively could have an adverse effect the Group's competitive position. As part of these restructuring processes, in 2021 the Group faced costs for a net negative impact of EUR 530 million, mainly in the United Kingdom and Portugal.

In particular, the Group faces the challenge to compete in an ecosystem where the relationship with the consumer is based on access to digital data and interactions. This access is increasingly dominated by digital platforms who are already eroding the Group's results in very relevant markets such as payments. This privileged access to data can be used as a leverage to compete with the Group in other adjacent markets and may reduce the Group's operations and margins in core businesses such as lending or wealth management. The alliances that the Group's competitors are starting to build with large technology firms can make it more difficult for the Group to successfully compete with them and could adversely affect the Group.

Increasing competition could also require that the Group increases rates offered on deposits or lower the rates the Group charges on loans, which could also have a material adverse effect on the Group, including its profitability. It may also negatively affect its business results and prospects by, among other things, limiting its ability to increase its customer base and expand its operations and increasing competition for investment opportunities.

If the Group's customer service levels were perceived by the market to be materially below those of its competitor financial institutions, the Group could lose existing and potential business. If the Group is not successful in retaining and strengthening customer relationships, the Group may lose market share, incur losses on some or all of its activities or fail to attract new deposits or retain existing deposits, which could have a material adverse effect on its operating results, financial condition and prospects.

If the Group is unable to manage the growth of its operations or to integrate successfully its inorganic growth, this could have an adverse impact on its profitability.

The Group allocates management and planning resources to develop strategic plans for organic growth, and to identify possible acquisitions and disposals and areas for restructuring its businesses. From time to time, the Group evaluates acquisition and partnership opportunities that it believes offer additional value to its shareholders and are consistent with its business strategy. However, the Group may not be able to identify suitable acquisition or partnership candidates, and its ability to benefit from any such acquisitions and partnerships will depend in part on the successful integration of those businesses. Any such integration entails significant risks such as unforeseen difficulties in integrating operations and systems and unexpected liabilities or contingencies relating to the acquired businesses, including legal claims and delivery and execution risks. The Group can give no assurances that its expectations with regards to integration and synergies will materialize. The Group also cannot provide assurance that it will, in all cases, be able to manage its growth effectively or deliver its strategic growth objectives. Challenges that may result from its strategic growth decisions include its ability to:

- manage efficiently the operations and employees of expanding businesses;
- maintain or grow the Group's existing customer base;
- assess the value, strengths and weaknesses of investment or acquisition candidates, including local regulation that can reduce or eliminate expected synergies;
- finance strategic investments or acquisitions;
- align the Group's current information technology systems adequately with those of an enlarged group;
- apply the Group's risk management policy effectively to an enlarged group; and
- manage a growing number of entities without over-committing management or losing key personnel.

Any failure to manage growth effectively could have a material adverse effect on the Group's operating results, financial condition and prospects.

In addition, any acquisition or venture could result in the loss of key employees and inconsistencies in standards, controls, procedures and policies.

Moreover, the success of the acquisition or venture will at least in part be subject to a number of political, economic and other factors that are beyond its control. Any of these factors, individually or collectively, could have a material adverse effect on the Group.

The Group may not effectively manage risks associated with the replacement or reform of benchmark indices.

Interest rate, equity, foreign exchange rate and other types of indices which are deemed to be "benchmarks", including those in widespread and long-standing use, have been the subject of ongoing international, national and other regulatory scrutiny and initiatives and proposals for reform. Some of these reforms are already effective while others are still to be implemented or are under consideration. These reforms have caused and may in the future cause benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences, which cannot be fully anticipated.

Any of the benchmark reforms which have been proposed or implemented, or the general increased regulatory scrutiny of benchmarks, could also increase the costs and risks of administering or otherwise participating in the setting of benchmarks and complying with regulations or requirements relating to benchmarks. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain benchmarks, trigger changes in the rules or methodologies used in certain benchmarks or lead to the disappearance of certain benchmarks.

Any of these developments, and any future initiatives to regulate, reform or change the administration of benchmarks, could result in adverse consequences to the return on, value of and market for loans, mortgages, securities, derivatives and other financial instruments whose returns are linked to any such benchmark, including those issued, funded or held by Banco Santander.

Various regulators, industry bodies and other market participants in the U.S. and other countries have worked to develop, introduce and encourage the use of alternative rates to replace certain benchmarks. A transition away from the widespread use of interest rate benchmarks to alternative rates has begun and will continue over the course of the next few years. While central bank-sponsored committees in various jurisdictions have recommended alternative rates for various important interest rate benchmarks, if a particular benchmark were to be discontinued and an alternative rate had not been successfully introduced to replace that benchmark, this could result in widespread dislocation in the financial markets, engender volatility in the pricing of securities, derivatives and other instruments, and suppress capital markets activities, all of which could have adverse effects on Banco Santander's results of operations. In addition, the transition of a particular benchmark to a replacement rate could affect hedge accounting relationships between financial instruments linked to that benchmark and any related derivatives, which could adversely affect Banco Santander's results.

On 5 March 2021, the U.K. Financial Conduct Authority (the "**FCA**"), which regulates the London interbank offered rate ("**LIBOR**"), published an announcement to confirm the dates immediately after which all LIBOR settings will either cease to be provided by any administrator or no longer be representative: 31 December 2021 for all EUR, GBP, JPY and CHF LIBOR tenors and 1-week and 2-month USD LIBOR tenors, and 30 June 2023 for the remaining USD LIBOR tenors (overnight, 1-, 3-, 6- and 12-month). Therefore, since 1 January 2022, most LIBOR settings have ceased to be available. While publication of the 1-, 3- and 6-month GBP and JPY tenors will continue at least until the end of 2022 on the basis of a 'synthetic' methodology, these rates are solely available for use in legacy transactions. In addition, while certain USD LIBOR tenors are expected to continue to be published until 30 June 2023, U.S. regulators and the FCA have published guidance instructing banks to cease entering into new contracts referencing USD LIBOR no later than 31 December 2021, with limited exceptions.

Additionally, on 13 September 2018, the working group on euro risk-free rates recommended that the Euro Short Term Rate ("**€STR**") shall replace the Euro Overnight Index Average ("**EONIA**"). Since 2 October 2019, when the €STR became available, EONIA changed its methodology to be calculated as the €STR plus a spread of 8.5 basis points. This change in EONIA's methodology is intended to facilitate the market's transition from EONIA to €STR, with the former having been discontinued on 3 January 2022.

In October 2020, the International Swaps and Derivatives Association ("**ISDA**") launched the 2020 IBOR Fallbacks Protocol, which amends the ISDA's interest rate definitions used among protocol adherents to incorporate new fallbacks for legacy non-cleared derivatives linked to LIBOR and certain other interest rate benchmarks. The protocol became effective as of 25 January 2021. The Bank and several subsidiaries have adhered to this new protocol. Similarly, ISDA's IBOR Fallbacks Supplement also amended ISDA's standard definitions to incorporate these new fallbacks in new derivatives entered into on or after that same effective date. Following 31 December 2021, derivatives referencing non-USD LIBOR that were amended through adherence to the 2020 IBOR Fallbacks Protocol or that incorporate the IBOR Fallbacks Supplement are or will be valued using the adjusted version of the applicable risk-free reference rate selected as an alternative to the applicable IBOR by the appropriate national committee.

With respect to USD LIBOR-linked contracts that are governed by New York law, New York State has enacted legislation that will replace references to LIBOR in certain contracts with a benchmark based on the Secured Overnight Financing Rate ("**SOFR**"), including any spread adjustment, recommended by the Federal Reserve Board, the Federal Reserve Bank of New York or the Alternative Reference Rates Committee (the "**ARRC**") convened by the Federal Reserve Board and the Federal Reserve Bank of New York.

In December 2020, the European Union Council endorsed new rules amending the EU Benchmark Regulation ("**BMR**"). The aim of the amendments to the BMR is to ensure that a statutory replacement benchmark can be established by the regulators by the time a systemically important benchmark is no longer in place, and, thus, protect financial stability in EU markets. It is likely that the regulators will decide to use these powers to mitigate, to the extent possible, systemic risks that might

result from the phasing out of LIBOR by the end of 2021. The new rules give the European Commission the power to replace the so-called "critical benchmarks", which could affect the stability of financial markets in Europe, and other relevant benchmarks, if their termination would result in a significant disruption in the functioning of financial markets in the EU. The Commission will also be able to replace third-country benchmarks if their cessation would result in a significant disruption in the functioning of financial markets or pose a systemic risk for the financial system in the EU. In this regard, the European Commission (EC) published two Delegated Regulations in the Official Journal of the European Union, nominating the replacement rates for two interest rate benchmarks: the Swiss Franc London Interbank Offered Rate ("**CHF LIBOR**") and the EONIA. The Regulations took effect from 11 November 2021.

The Federal Reserve Bank of New York currently publishes SOFR based on overnight U.S. Treasury repurchase agreement transactions, which has been recommended as the alternative to USD LIBOR by the ARRC. In addition, the Bank of England publishes a reformed Sterling Overnight Index Average, comprised of a broader set of overnight GBP money market transactions, which has been selected by the Working Group on Sterling Risk-Free Reference Rates as the alternative rate to GBP LIBOR.

These and other reforms have caused and may in the future cause benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be fully anticipated which introduce a number of risks for the Group. These risks include (i) legal risks arising from potential changes required to documentation for new and existing transactions; (ii) risk management, financial and accounting risks arising from market risk models and from valuation, hedging, discontinuation and recognition of financial instruments linked to benchmark rates; (iii) business risk of a decrease in revenues of products linked to indices that will be replaced; (iv) pricing risks arising from how changes to benchmark indices could impact pricing mechanisms on some instruments; (v) operational risks arising from the potential requirement to adapt IT systems, trade reporting infrastructure and operational processes; (vi) conduct risks arising from the potential impact of communication with customers and engagement during the transition period and inquiries, reviews or other actions from regulators regarding the Group's preparation, readiness and transition plans and (vii) litigation risks and risks relating to other disputes and actions with clients, counterparties investors and other parties regarding the Group's existing products and services, which could adversely impact its profitability. The replacement benchmarks and their transition path have been defined, but, with respect to some benchmarks, the mechanisms for implementation are under development. Accordingly, it is not currently possible to determine whether, or to what extent, any such changes would affect the Group. However, the implementation of alternative benchmark rates may have a material adverse effect on the business, results of operations, financial condition and prospects of the Group. The Group may also be adversely affected if the change restricts its ability to provide products and services or if it necessitates the development of additional information technology systems.

Risk Management

Failure to successfully implement and continue to improve the Group's risk management policies, procedures and methods, including the Group's credit risk management systems, could materially and adversely affect the Group, and it may be exposed to unidentified or unanticipated risks.

Risk Management is an integral part of the Group's activities. The Group seeks to monitor and manage its risk exposure through a variety of separate but complementary financial, credit, market, operational, compliance and legal reporting systems, among others. While the Group employs a broad and diversified set of risk monitoring and risk mitigation techniques, such techniques and strategies may not be fully effective in mitigating the Group's risk exposure in all economic market environments or against all types of risk, including risks that the Group may fail to identify or anticipate. Some of the Group's tools and metrics for managing risk are based upon the Group's use of observed historical market behaviour. The Group applies statistical and other tools to these observations to arrive at quantifications of the Group's risk exposures. These tools and metrics may fail to predict future risk exposures. These risk exposures could, for example, arise from factors the Group did not anticipate or correctly evaluate in the Group's statistical models. This would limit the Group's ability to manage its risks. The Group's losses thus could be significantly higher than the historical measures indicate. In addition, the Group's statistical models may not take all risks into account.

The Group's approach to managing risks could prove insufficient, exposing it to material unanticipated losses. The Group could face adverse consequences as a result of decisions, which may lead to actions by management, based on models that are poorly developed, implemented or used, or as a result of the modelled outcome being misunderstood or the use of such information for purposes for which it was not designed. If existing or potential customers or counterparties believe the Group's risk management is inadequate, they could take their business elsewhere or seek to limit their transactions with the Group. Any of these factors could have a material adverse effect on the Group's reputation, operating results, financial condition and prospects.

As a retail bank, one of the main types of risks inherent in the Group's business is credit risk. For example, an important feature of the Group's credit risk management system is to employ an internal credit rating system to assess the particular risk profile of individual customers and SMEs. As this process involves detailed analyses of the customer, taking into account both quantitative and qualitative factors, it is subject to human or IT systems errors. In exercising their judgment on current or future credit risk behaviour of the Group's customers, its employees may not always be able to assign an accurate credit rating, which may result in the Group's exposure to higher credit risks than indicated by its risk rating system.

Some of the models and other analytical and judgment-based estimations the Group uses in managing risks are subject to review by, and require the approval of, the Group's regulators. If models do not comply with all their expectations, the regulators may require the Group to make changes to such models, may approve them with additional capital requirements or may preclude the Group from using

them. Any of these possible situations could limit the Group's ability to expand its businesses or have a material impact on the Group's financial results.

Failure to effectively implement, consistently monitor or continuously refine its credit risk management system may result in an increase in the level of non-performing loans and a higher risk exposure for the Group, which could have a material adverse effect on it.

The Group's board of directors is responsible for the approval of its general policies and strategies, and in particular for the general risk policy. In addition to the executive committee, which maintains a special focus on risk, the board has a specific risk supervision, regulation and compliance committee. See more information in section 2.3 "Risk and Compliance Governance" in the Risk Management and Compliance Chapter and section 4. "Board of directors" in the Corporate Governance Chapter in the 2021 Annual Report (as defined below).

Model Risks

The Group relies on models for many of its decisions. Their inaccurate or incorrect use could have a material adverse effect on the Group.

The Group uses models for approval (scoring/rating), capital calculation, behaviour, provisions, market risk, operational risk, compliance and liquidity. A model is a system, approach or quantitative method that applies statistical, economic, financial or mathematical theories, techniques or hypotheses to transform input data into quantitative estimates. It involves simplified representations of real world relationships between characteristics, values and observed assumptions that allows the Group to focus on specific aspects.

Model risk is the negative consequence of decisions based on inaccurate, improper or incorrect use of models. Sources of model risk include (i) incorrect or incomplete data in the model itself or the modelling method used in systems; and (ii) incorrect use or implementation of the model.

Model risk can cause financial loss, erroneous commercial and strategic decision-making or damage to the Group's transactions any of which could have a material adverse effect on its operating results, financial condition and prospects. In addition, the Group's models and the underlying methodologies are subject to scrutiny from its supervisors, who could identify potential weaknesses or deficiencies that may result in enforcement actions, including sanctions, fines and/or the imposition of stricter capital requirements, as well as mandates and recommendations with respect to the methodologies underlying its models, which could also lead us to more onerous or inefficient capital consumptions.

Unprecedented movement in economic and market drivers related to the covid-19 pandemic required monitoring and adjustment of financial models (including credit loss models, capital models, traded risk models and models used in the asset/liability management process) to comply with the guidance and recommendations of standard setters, regulators and supervisors, particularly for credit loss models. It also resulted in the use of mitigants for model limitations, such as adjustments to model outputs to reflect consideration of management judgment. The performance and usage of models was and may continue to be impacted by the consequences of the covid-19 pandemic. In addition, data

obtained during the covid-19 pandemic may not be representative and may distort the calibration of the models in the future, which could have a material adverse effect on us.

In addition, the fair value of the Group's financial assets, determined using financial valuation models, may be inaccurate or subject to change and, as a consequence, the Group may have to register impairments or write-downs that could have a material adverse effect on the Group's operating results, financial condition and prospects. See more information in risk factor "Market conditions have resulted and could result in material changes to the estimated fair values of the Group's financial assets. Negative fair value adjustments could have a material adverse effect on the Group's operating results, financial condition and prospects".

General Business and Risks Related to the Group's Industry

Climate change can create transition risks, physical risks, and other risks that could adversely affect the Group.

There is an increasing concern over the risks of climate change and related environmental sustainability matters. Climate change may imply three primary drivers of financial risk that could adversely affect the Group:

- Transition risks associated with the move to a low-carbon economy, both at idiosyncratic and systemic levels, such as through policy, regulatory and technological changes, which could increase its expenses and impact its strategies.
- Physical risks related to discrete events, such as flooding and wildfires, and extreme weather impacts and longer term shifts in climate patters, such as extreme heat, sea level rise and more frequent and prolonged drought, which could result in financial losses that could impair asset values and the creditworthiness of its customers. Such events could disrupt the Group's operations or those of its customers or third parties on which it relies and does business with, including through direct damage to assets and indirect impacts from supply chain disruption and market volatility.
- Liability risks derived from parties who may suffer losses from the effects of climate change and may seek compensation from those they hold responsible such as state entities, regulators, investors and lenders.

These primary drivers could materialize, among others, in the following financial risks:

- Credit risks: Physical climate change could lead to increased credit exposure and companies with business models not aligned with the transition to a low-carbon economy may face a higher risk of reduced corporate earnings and business disruption due to new regulations or market shifts.
- Market risks: Market changes in the most carbon-intensive sectors could affect energy and commodity prices, corporate bonds, equities and certain derivatives contracts. Increasing

frequency of severe weather events could affect macroeconomic conditions, weakening fundamental factors such as economic growth, employment and inflation.

- Operational risks: Severe weather events could directly impact business continuity and operations both of customers and the Group's.

- Reputational risk: the Group's reputation and client relationships may be damaged as a result of its practices and decisions related to climate change and the environment, or to the practices or involvement of its clients, in certain industries or projects associated with causing or exacerbating climate change. As climate risk is interconnected with all key risk types, the Group has developed and continues to enhance processes to embed climate risk considerations into its risk management strategies established for risks; however, because the timing and severity of climate change may not be predictable, the Group's risk management strategies may not be effective in mitigating climate risk exposure.

Any of the conditions described above could have a material adverse effect on the Group's business, financial condition and results of operations.

The financial problems faced by the Group's customers could adversely affect the Group.

Potential market turmoil and economic recession could materially and adversely affect the liquidity, credit ratings, businesses and/or financial conditions of the Group's borrowers, which could in turn increase the Group's non-performing loan ratios, impair the Group's loan and other financial assets and result in decreased demand for borrowings in general. In addition, the Group's customers may further significantly decrease their risk tolerance to non-deposit investments such as stocks, bonds and mutual funds, which would adversely affect the Group's fee and commission income. Any of the conditions described above could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's ability to maintain its competitive position depends, in part, on the success of new products and services the Group offers its clients and its ability to offer products and services that meet the customers' needs during the whole life cycle of the products or services, and the Group may not be able to manage various risks it faces as it expands its range of products and services that could have a material adverse effect on the Group.

The success of the Group's operations and its profitability depends, in part, on the success of new products and services it offers its clients and the Group's ability to offer products and services that meet the customers' needs during all their life cycle. However, the Group's clients' needs or desires may change over time, and such changes may render its products and services obsolete, outdated or unattractive and the Group may not be able to develop new products that meet its clients' changing needs. The Group's success is also dependent on its ability to anticipate and leverage new and existing technologies that may have an impact on products and services in the banking industry. Technological changes may further intensify and complicate the competitive landscape and influence client behaviour. If the Group cannot respond in a timely fashion to the changing needs of its clients, it may

lose clients, which could in turn materially and adversely affect the Group. In addition, the cost of developing products is likely to affect the Group's results of operations.

As the Group expands the range of its products and services, some of which may be at an early stage of development in the markets of certain regions where the Group operates, it will be exposed to new and potentially increasingly complex risks, such as the conduct risk in the relationship with customers, and development expenses. The Group's employees and risk management systems, as well as its experience and that of its partners may not be sufficient to enable it to properly manage such risks. Any or all of these factors, individually or collectively, could have a material adverse effect on the Group.

While the Group have successfully increased its customer service levels in recent years, should these levels ever be perceived by the market to be materially below those of its competitor financial institutions, the Group could lose existing and potential business. If the Group is not successful in retaining and strengthening customer relationships, it may lose market share, incur losses on some or all of its activities or fail to attract new deposits or retain existing deposits, which could have a material adverse effect on its operating results, financial condition and prospects.

The Group relies on recruiting, retaining and developing appropriate senior management and skilled personnel.

The Group's continued success depends in part on the continued service of key members of its senior executive team and other key employees. The ability to continue to attract, train, motivate and retain highly qualified and talented professionals is a key element of its strategy. The successful implementation of the Group's strategy and culture depends on the availability of skilled and appropriate management, both at its head office and in each of its business units. If the Group or one of its business units or other functions fails to staff its operations appropriately or loses one or more of its key senior executives or other key employees and fails to replace them in a satisfactory and timely manner, its business, financial condition and results of operations, including control and operational risks, may be adversely affected.

The Group's ability to attract and retain qualified employees is affected by perceptions of its culture and management, its profile in the markets in which the Group operates and the professional opportunities it offers.

In addition, the financial industry has and may continue to experience more stringent regulation of employee compensation, which could have an adverse effect on its ability to hire or retain the most qualified employees. If the Group fails or is unable to attract and appropriately train, motivate and retain qualified professionals, its business may also be adversely affected.

Damage to the Group's reputation could cause harm to its business prospects.

Maintaining a positive reputation is critical to protect the Group's brand, attract and retain customers, investors and employees and conduct business transactions with counterparties. Damage to the Group's reputation could therefore cause significant harm to its business and prospects. Harm to the

Group's reputation could arise from numerous sources, including, among others, employee misconduct, including the possibility of fraud perpetrated by the Group's employees, litigation or regulatory enforcement, failure to deliver minimum standards of service and quality, dealing with sectors that are not well perceived by the public (weapons industries or embargoed countries, for example), dealing with customers on sanctions lists, rating downgrades, significant variations in the Group's share price throughout the year, compliance failures, unethical behaviour, and the activities of customers and counterparties, including activities that negatively affect the environment. Further, negative publicity regarding the Group may result in harm to the Group's prospects.

Actions by the financial services industry generally or by certain members of, or individuals in, the industry can also affect the Group's reputation. For example, the role played by financial services firms in the financial crisis and the seeming shift toward increasing regulatory supervision and enforcement has caused public perception of the Group and others in the financial services industry to decline.

The Group could suffer significant reputational harm if it fails to identify and manage potential conflicts of interest properly. The failure, or perceived failure, to adequately address conflicts of interest could affect the willingness of clients to deal with the Group, or give rise to litigation or enforcement actions against the Group. Therefore, there can be no assurance that conflicts of interest will not arise in the future that could cause material harm to the Group.

The Group may be the subject of misinformation and misrepresentations deliberately propagated to harm the Group's reputation or for other deceitful purposes, or by profiteering short sellers seeking to gain an illegal market advantage by spreading false information about the Group. There can be no assurance that the Group will effectively neutralize and contain a false information that may be propagated regarding the Group, which could have an adverse effect on the Group's operating results, financial condition and prospects.

The Group engages in transactions with its subsidiaries or affiliates that others may not consider to be on an arm's-length basis.

The Group and its affiliates have entered into a number of services agreements pursuant to which the Group render services, such as administrative, accounting, finance, treasury, legal services and others.

Spanish and U.S. law provide for several procedures designed to ensure that the transactions entered into with or among its financial subsidiaries and/or affiliates do not deviate from prevailing market conditions for those types of transactions.

The Group is likely to continue to engage in transactions with its affiliates. Future conflicts of interests may arise between the Group and any of its affiliates, or among its affiliates, which may not be resolved in the Group's favor.

Financial Reporting and Control Risks

Changes in accounting standards could impact reported earnings.

The accounting standard setters and other regulatory bodies periodically change the financial accounting and reporting standards that govern the preparation of the financial statements. These changes can materially impact how the Group records and reports its financial condition and results of operations, as well as affect the calculation of its capital ratios. In some cases, the Group could be required to apply a new or revised standard retroactively, resulting in the restatement of prior period financial statements. For further information about developments in financial accounting and reporting standards, see Note 1 to the 2021 Financial Statements.

The Group's financial statements are based in part on assumptions and estimates which, if inaccurate, could cause material misstatement of the results of its operations and financial position.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgments and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The accounting policies deemed critical to the Group's results and financial position, based upon materiality and significant judgments and estimates, include impairment of loans and advances, goodwill impairment, valuation of financial instruments, deferred tax assets provision and pension obligation for liabilities.

If the judgment, estimates and assumptions the Group uses in preparing its consolidated financial statements are subsequently found to be incorrect, there could be a material effect on the Group's results of operations and a corresponding effect on the Group's funding requirements and capital ratios.

Disclosure controls and procedures over financial reporting may not prevent or detect all errors or acts of fraud.

Disclosure controls and procedures, including internal controls over financial reporting, are designed to provide reasonable assurance that information required to be disclosed by the company in reports filed or submitted under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

These disclosure controls and procedures have inherent limitations which include the possibility that judgments in decision-making can be faulty and that breakdowns occur because of errors or mistakes. Additionally, controls can be circumvented by any unauthorized override of the controls. Consequently, the Group's businesses are exposed to risk from potential non-compliance with

policies, employee misconduct or negligence and fraud, which could result in regulatory sanctions, civil claims and serious reputational or financial harm. In recent years, a number of multinational financial institutions have suffered material losses due to the actions of "rogue traders" or other employees. It is not always possible to deter employee misconduct and the precautions the Group takes to prevent and detect this activity may not always be effective. Accordingly, because of the inherent limitations in the control system, misstatements due to error or fraud may occur and not be detected.

Foreign Private Issuer and Other Risks

The Group's corporate disclosure may differ from disclosure regularly published by issuers of securities in other countries, including the United States.

Issuers of securities in Spain are required to make public disclosures that are different from, and that may be reported under presentations that are not consistent with, disclosures required in other countries, including the United States. In particular, for regulatory purposes, the Group currently prepares and will continue to prepare and make available to its shareholders statutory financial statements in accordance with IFRS-IASB, which differs from U.S. Generally Accepted Accounting Principles in a number of respects. In addition, as a foreign private issuer, the Group is not subject to the same disclosure requirements in the United States as a domestic U.S. registrant under the Exchange Act, including the requirements to prepare and issue quarterly reports, the proxy rules applicable to domestic U.S. registrants under Section 14 of the Exchange Act or the insider reporting and short-swing profit rules under Section 16 of the Exchange Act. Accordingly, the information about the Group available to a prospective investor will not be the same as the information available to shareholders of a U.S. company and may be reported in a manner that it is not familiar with.

Investors may find it difficult to enforce civil liabilities against the Group or its directors and officers.

The majority of the Group's directors and officers reside outside of the United States. In addition, all or a substantial portion of the Group's assets and the assets of its directors and officers are located outside of the United States. Although the Group has appointed an agent for service of process in any action against the Group in the United States, none of its directors or officers has consented to service of process in the United States or to the jurisdiction of any United States court. As a result, it may be difficult for investors to effect service of process within the United States on such persons.

Additionally, investors may experience difficulty in Spain enforcing foreign judgments obtained against the Group and its executive officers and directors, including in any action based on civil liabilities under the U.S. federal securities laws. Based on the opinion of Spanish counsel, there is doubt as to the enforceability against such persons in Spain, whether in original actions or in actions to enforce judgments of U.S. courts, of liabilities based solely on the U.S. federal securities laws.

Risks in relation to the Notes

There is no active trading market for the Notes.

The Notes may have no established trading market when issued, and one may never develop. If an active trading market does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes at a particular time or may not be able to sell their Notes at a favourable price. Although applications have been made for Notes issued under the Program to be admitted to the Official List and to trading on the regulated market of Euronext Dublin, there is no assurance that such applications will be accepted, that any particular issue of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular issue of Notes.

Potential conflicts of interest between the investor and the Calculation Agent.

Potential conflicts of interest may arise between the Calculation Agent, if any, for a tranche of Notes and the Noteholders (including where a Dealer acts as a calculation agent), including with respect to certain discretionary determinations and judgments that such Calculation Agent may make pursuant to the terms and conditions of the Notes that may influence the amount receivable upon redemption of the Notes.

Credit ratings may not reflect all risks.

One or more independent credit rating agencies may assign credit ratings to the Notes, the Program or the Issuer. The credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Risks in Relation to Spanish Taxation.

The Issuer is required to receive certain information relating to the Notes. If such information is not received by the Issuer, it will be required to apply Spanish withholding tax to any payment of interest in respect of the relevant Notes, or income arising from the payment of Notes issued below par.

Under Spanish Law 10/2014 and Royal Decree 1065/2007, payments of income in respect of the Notes will be made without withholding tax in Spain provided that the Issuing and Paying Agent provides to the Issuer at the relevant time a certificate in the Spanish language substantially in the form set out in Exhibit I, attached hereto.

This information must be provided by the Issuing and Paying Agent to the Issuer before the close of business on the Business Day (as defined in the Notes) immediately preceding the date on which any payment of interest, principal or of any amounts in respect of the early redemption of the Notes (each a "**Payment Date**") is due.

The Issuer and the Issuing and Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Notes. If, despite these procedures, the relevant information is not received by the Issuer on each Payment Date, the Issuer will instruct the Issuing and Paying Agent to withhold tax at the then-applicable rate (as at the date of this Listing Prospectus 19 per cent.) from any payment in respect of the relevant Notes. The Issuer will not pay any additional amounts with respect to any such withholding imposed due to the failure of the Noteholder or beneficial owner to comply with a timely request of Banco Santander addressed to the Noteholder to provide certification or information concerning the nationality, residence or identity of the Noteholder or beneficial owner of the Note.

The Third Amended and Restated Issuing and Paying Agency Agreement provides that the Issuing and Paying Agent will, to the extent applicable, comply with the relevant procedures to facilitate the collection of information concerning the Notes. See section titled "Taxation—Spanish Tax Considerations—Information about the Notes in Connection with Payments".

The procedures may be modified, amended or supplemented to, among other reasons, reflect a change in applicable Spanish law, regulation, ruling or interpretation thereof. Neither the Issuer nor the Dealers assumes any responsibility therefor.

Royal Decree 1065/2007 provides that any payment of interest made under securities originally registered in a non-Spanish clearing and settlement entity recognised by Spanish legislation or by the legislation of another Organization for Economic Cooperation and Development ("**OECD**") country will be made with no withholding or deduction from Spanish taxes provided that the relevant information about the Notes is received by the Issuer. In the opinion of the Issuer, payments in respect of the Notes will be made without deduction or withholding of taxes in Spain provided that the relevant information about the Notes is submitted by the Issuing and Paying Agent to them, notwithstanding the information obligations of the Issuer under general provisions of Spanish tax legislation, by virtue of which identification of Spanish investors may be provided to the Spanish tax authorities.

Notwithstanding the above, in the case of Notes held by Spanish resident individuals (and, under certain circumstances, by Spanish entities subject to Corporate Income Tax) and deposited with a Spanish resident entity acting as depositary or custodian, payments in respect of such Notes may be subject to withholding by such depositary or custodian at the current rate of 19 per cent.

If the Spanish tax authorities maintain a different opinion as to the application by the Issuer of withholding to payments made to Spanish residents (individuals and entities subject to Corporate Income Tax), the Issuer will be bound by that opinion and, with immediate effect, will make the appropriate withholding and the Issuer will not, as a result, pay additional amounts.

The value of and return on any Notes linked to a benchmark may be adversely affected by ongoing national and international regulatory reform in relation to benchmarks.

Reference rates and indices such as Euro Interbank Offered Rate ("**EURIBOR**") and other interest rate or other types of rates and indices which are deemed to be "benchmarks" (each a "**Benchmark**"

and together, the "**Benchmarks**"), to which the interest on securities may be linked, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. This has resulted in regulatory reform and changes to existing Benchmarks, with further change anticipated. Such reform of Benchmarks includes the Benchmarks Regulation (the "**BMR**") which was published in the official journal on 29 June 2016. On 27 July 2017, the FCA announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021. In a further speech on 12 July 2018, the FCA emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021, which indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The BMR applies to the provision of Benchmarks, the contribution of input data to a Benchmark and the use of a Benchmark within the EU. It, among other things, (i) requires Benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of Benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of Benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the following effects on certain Benchmarks including EURIBOR: (i) discourage market participants from continuing to administer or contribute to the Benchmark; (ii) trigger changes in the rules or methodologies used in the Benchmark or (iii) lead to the disappearance of the Benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a Benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the BMR reforms in making any investment decision with respect to any Notes linked to or referencing a Benchmark.

The secured overnight financing rate ("SOFR") is a relatively new market index and as the related market continues to develop, there may be an adverse effect on the return on or value of any Notes linked to or referencing SOFR.

In the following discussion of SOFR, references to SOFR-linked debt securities are to any Notes issued with the rate indexed to SOFR.

The NY Federal Reserve (the "**NY Federal Reserve**") began to publish SOFR in April 2018. Although the NY Federal Reserve has also begun publishing historical indicative SOFR going back to 2014, such prepublication historical data inherently involves assumptions, estimates and approximations. You should not rely on any historical changes or trends in SOFR as an indicator of the future performance of SOFR. Since the initial publication of SOFR, daily changes in the rate have, on occasion, been more volatile than daily changes in comparable benchmark or market rates. As a

result, the return on and value of SOFR-linked debt securities may fluctuate more than debt securities that are linked to less volatile rates.

Also, since SOFR is a relatively new market index, SOFR-linked debt securities likely will have no established trading market, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to SOFR, such as the spread over SOFR, may evolve over time, and trading prices of any Notes linked to SOFR may be lower than those of later-issued SOFR-linked debt securities as a result. Similarly, if SOFR does not prove to be widely used in securities like the Notes, the trading price of any Notes linked to SOFR may be lower than those of debt securities linked to rates that are more widely used. Debt securities indexed to SOFR may not be able to be sold or may not be able to be sold at prices that will provide a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

The NY Federal Reserve notes on its publication page for SOFR that use of SOFR is subject to important limitations, indemnification obligations and disclaimers, including that the NY Federal Reserve may alter the methods of calculation, publication schedule, rate revision practices or availability of SOFR at any time without notice. There can be no guarantee that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to you. If the manner in which SOFR is calculated is changed or if SOFR is discontinued, that change or discontinuance may adversely affect the return on and value of any Notes linked to SOFR.

The administrator of SOFR may make changes that could change the value of SOFR or discontinue SOFR and has no obligation to consider your interests in doing so.

SOFR is a relatively new rate, and The Federal Reserve Bank of New York (or a successor), as administrator of SOFR, may make methodological or other changes that could change the value of SOFR, including changes related to the method by which SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or timing related to the publication of SOFR. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SOFR (in which case an alternative rate referenced in the definition of "Replacement Benchmark" will apply). The administrator has no obligation to consider your interests in calculating, adjusting, converting, revising or discontinuing SOFR.

The market continues to develop in relation to SOFR as a reference rate for Floating Rates Notes.

Where the relevant Final Terms for a series of Floating Rate Notes (as defined below) identifies that the Rate of Interest for such Notes will be determined by reference to SOFR, the Rate of Interest will be Compounded Daily SOFR (including on the basis of the SOFR Index published on the NY Federal Reserve's Website) or SOFR Arithmetic Mean. In each case such rate will differ from the EURIBOR rate in a number of material respects, including (without limitation) that a compounded daily rate or weighted average rate is a backwards-looking, risk-free overnight rate, and a single daily rate is a risk-free overnight non-term rate, whereas EURIBOR is expressed on the basis of a forward-looking term

and include a risk-element based on inter-bank lending. As such, investors should be aware that SOFR may behave materially differently as interest reference rates for Notes issued under the Program.

The market continues to develop in relation to SOFR as a reference rate in the capital markets and their adoption as alternatives to the relevant interbank offered rates. In addition, market participants and relevant working groups are exploring alternative reference rates based on SOFR, including term SOFR reference rates (which seek to measure the market's forward expectation of an average SOFR rate over a designated term). The development of SOFR as interest reference rates for the Eurobond and U.S. money markets, as well as continued development of SOFR based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Notes.

The use of SOFR as a reference rate continues to develop both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing SOFR. Publication of such reference rates has a limited history. The future performance of SOFR may therefore be difficult to predict based on the limited historical performance. The level of SOFR during the term of the Notes may bear little or no relation to the historical level of SOFR. Prior observed patterns, if any, in the behaviour of market variables and their relation to SOFR such as correlations, may change in the future.

The market or a significant part thereof may adopt an application of SOFR that differs significantly from that set out in the terms and conditions of the Notes as applicable to the Notes. Furthermore, the Issuer may, in future, issue the Notes referencing SOFR that differ materially in terms of interest determination when compared with the Notes. In addition, the manner of adoption or application of SOFR reference rates in the Eurobond and U.S. money markets may differ materially compared with the application and adoption of SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SOFR reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing any such rate.

Furthermore, the interest rate on the Notes which reference SOFR is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors to estimate reliably the amount of interest which will be payable on the Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of the Notes. Further, in contrast to LIBOR-based or EURIBOR-based Notes, if the Notes become due and payable under Condition 6, or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of the Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable.

To the extent the SOFR rate is not published, the applicable rate to be used to calculate the Interest Rate on Notes referencing SOFR will be determined using the fallback provisions set out in the terms and conditions of the Notes which apply specifically to Notes referencing SOFR and are distinct to those applying to other types of the Notes. Any of these fallback provisions may result in interest

payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made on the Notes if the relevant SOFR rate had been so published in its current form. In addition, use of the fallback provisions may result in the effective application of a fixed rate of interest to the Notes.

Any failure of SOFR to gain market acceptance could adversely affect holders of the Notes that pay a floating rate of interest referencing SOFR.

Holders of Notes that pay a floating rate of interest that references SOFR are exposed to the risk that such rate may not be widely accepted in the market. The risk of this occurring is mitigated by the fact that SOFR was developed for use in certain U.S. dollar derivatives and other financial contracts as an alternative to LIBOR in part because it is considered to be a good representation of general funding conditions in the overnight U.S. Treasury repo market. However, as a rate based on transactions secured by U.S. Treasury securities, it does not measure bank-specific credit risk and, as a result, is less likely to correlate with the unsecured short-term funding costs of banks. This may mean that market participants would not consider SOFR to be a suitable substitute or successor for all of the purposes for which LIBOR historically has been used (including, without limitation, as a representation of the unsecured short-term funding costs of banks), which may, in turn, lessen its market acceptance. Any failure of SOFR to gain or maintain market acceptance could adversely affect the return on, value of and market for Notes that pay a floating rate of interest referencing SOFR.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of the payable interest payments.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as SOFR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Zero Coupon Notes

The Issuer may issue zero coupon Notes. Such Notes will bear no interest and an investor will receive no return on the Notes until redemption. Any investors holding these Notes will be subject to the risk that the amortised yield in respect of the Notes may be less than market rates.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount (such as a zero coupon Notes) tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining

term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks Relating to the Insolvency Law.

The consolidated text of the Spanish Insolvency Law approved by Royal Legislative Decree 1/2020, of 5 May (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal*) (the "**Insolvency Law**") has been amended by Law 16/2022, of 5 September (*Ley 16/2022, de 5 de septiembre, de reforma del texto refundido de la Ley Concursal*) with the aim of implementing the restructuring framework required by Directive (EU) 2019/1023 of the European Parliament and of the Council of 20 June 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (Directive on restructuring and insolvency).

The Insolvency Law provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (*administradores concursales*) within one month from the last official publication of the court order declaring the insolvency, (ii) provisions in a contract granting one party the right to suspend, modify or terminate by reason only of the other's insolvency will not be enforceable, and (iii) accrual of unsecured interest (whether ordinary or default interest) shall be suspended from the date of the declaration of insolvency and any amount of interest accrued up to such date shall become subordinated. In the case of secured ordinary interests, (i) these shall be deemed as specially privileged, and (ii) interests shall keep accruing after the declaration of insolvency up to the limit of the secured amount, and only if a contingent credit for secured ordinary interests that may accrue after the declaration of insolvency is included in the statement of claim to be sent to the insolvency administrator (as per the Supreme Court judgment dated 20 February 2019). In the case of secured default interests, (i) these shall be deemed as specially privileged, and (ii) these shall not accrue after the declaration of insolvency, in accordance with the Spanish Supreme Court judgment dated 11 April 2019.

The Insolvency Law, in certain instances, also has the effect of modifying or impairing creditors' rights even if the creditor, either secured or unsecured, does not consent to the amendment. Secured and unsecured dissenting creditors may be written down once the insolvency has been declared by the judge as a result of the approval of a creditors' agreement (*convenio concursal*) to the extent that certain qualified majorities are achieved and unless some exceptions in relation to the kind of claim or creditor apply (which would not be the case for the Notes).

The majorities legal regime envisaged for a creditors' arrangement also hinges on the type of creditor (either secured or unsecured) as well as the part of claims to be written-down.

As such, certain provisions of the Insolvency Law could affect the ranking of the Notes or claims relating to the Notes on an insolvency of the Issuer.

There are restrictions on the ability to resell Notes.

The Notes have not been registered under the Securities Act, any state securities laws or the laws of any other jurisdiction. Absent such registration, the Notes may be offered or sold only in transactions that are not subject to, or that are exempt from, the registration requirement of the Securities Act and applicable state securities laws.

The taking of any action under Law 11/2015, which implements BRRD, and/or the SRM Regulation could materially affect the value of any Notes.

The BRRD and its implementation in Spain through Law 11/2015 and Royal Decree 1012/2015 are designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

As provided in the BRRD, Law 11/2015 contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest. The four resolution tools are: (i) sale of business - which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation - which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in - which gives resolution authorities the power to write down (including to zero) certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt to equity (the "**general bail-in tool**"), which equity could also be subject to any application of the relevant resolution tools. An institution will be considered as failing or likely to fail when: (i) it is, or is likely in the near future to be, in breach of its requirements for maintaining its authorisation; (ii) its assets are, or are likely in the near future to be, less than its liabilities; (iii) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (iv) it requires extraordinary public financial support (except in limited circumstances). The determination that an institution is failing or likely to fail may depend on a number of factors which may be outside of that institution's control.

In accordance with Article 48 of Law 11/2015 (and subject to any exclusions that may be applied by the Relevant Resolution Authority under Article 43 of Law 11/2015, in addition to the mandatory exclusions set forth in Article 27.3 of the SRM Regulation and in Article 42 of Law 11/2015), in the case of any application of the general bail-in tool, the sequence of any resulting write-down or conversion shall be as follows: (i) CET1 items; (ii) the principal amount of Additional Tier 1 instruments; (iii) the principal amount of Tier 2 instruments; (iv) the principal amount of other

subordinated claims that do not qualify as Additional Tier 1 capital or Tier 2 Capital; and (v) the principal or outstanding amount of bail-inable liabilities (which would include the Notes) in accordance with the hierarchy of claims in normal insolvency proceedings.

In accordance with Article 64.1(i) of Law 11/2015, the Relevant Resolution Authority has also the power to alter the amount of interest payable under debt instruments and other bail-inable liabilities of institutions subject to resolution proceedings and the date on which the interest becomes payable under the debt instrument (including the power to suspend payment for a temporary period).

The powers set out in the BRRD, as implemented in Spain through Law 11/2015, Royal Decree 1012/2015 and the SRM Regulation, will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Noteholders may be subject to write-down or conversion into equity on any application of the general bail-in tool. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes.

There may be limited protections, if any, that will be available to holders of securities subject to the general bail-in power (including the Notes) and to the broader resolution powers of the Relevant Resolution Authority. Accordingly, Noteholders may have limited or circumscribed rights to challenge any decision of the Relevant Resolution Authority to exercise its bail-in power.

There remains uncertainty as to how or when the general bail-in power may be exercised and how it would affect the Group and the Notes. The determination that all or part of the principal amount of the Notes will be subject to loss absorption is likely to be inherently unpredictable and may depend on a number of factors which may be outside of the Bank’s control.

DOCUMENTS INCORPORATED BY REFERENCE

Banco Santander is subject to the informational requirements of the Exchange Act and in accordance therewith files reports, proxy statements and certain other public information ("**SEC Filings**") with the SEC. Certain SEC Filings are available on the website maintained by the SEC at http://www.sec.gov/cgi-bin/srch-edgar. This website URL is an inactive textual reference only.

In addition, Banco Santander has produced this Listing Prospectus that contains information regarding Banco Santander and the Notes, including a section entitled "Risk Factors" that contains a description of certain risks to Noteholders, as part of its application to list the Notes on the Official List of Euronext Dublin. This Listing Prospectus is available on the website maintained by Euronext Dublin at https://euronext.com/en/markets/dublin and on the website maintained by Banco Santander at www.santander.com.

Certain information that Banco Santander has filed with Euronext Dublin is incorporated by reference in this Listing Prospectus. The information incorporated by reference is deemed to be part of this Listing Prospectus. The following documents shall be deemed to be incorporated in, and to form part of, this Listing Prospectus:

- Banco Santander's financial report prepared for the nine-month period ended 30 September 2022 (the "**2022 January-September Financial Report**");

  https://www.sec.gov/Archives/edgar/data/891478/000089147822000111/financieroq322ingles.htm

- English language translation of Banco Santander's interim condensed consolidated financial statements prepared under IFRS-EU for the six-month period ended 30 June 2022, (the "**June 2022 Financial Statements**");

  https://www.sec.gov/Archives/edgar/data/891478/000089147822000096/financieroq222ingles.htm

- Banco Santander's Current Report on Form 6-K for the month of July 2022 filed with the SEC on 29 July 2022 (the "**Half-Year 6-K**");

  https://www.sec.gov/ix?doc=/Archives/edgar/data/0000891478/000089147822000099/san-20220630.htm

- Banco Santander's financial report prepared for the six-month period ended 30 June 2022 (the "**2022 January-June Financial Report**");

  https://www.santander.com/content/dam/santander-com/en/documentos/informacion-privilegiada/2022/07/hr-2022-07-28-first-half-2022-results-financial-report-en.pdf

- English language translations of Banco Santander's audited consolidated and non-consolidated financial statements, together with the notes thereto and auditors' report thereon prepared in

accordance with IFRS-EU, included in the section entitled "Consolidated statements and other financial information" and "Consolidated financial statements" of Banco Santander's Annual Reports for the year ended 31 December 2021 (the "**2021 Financial Statements**"); and

https://www.santander.com/content/dam/santander-com/en/documentos/informe-financiero-anual/2021/ifa-2021-consolidated-annual-financial-report-en.pdf

- Banco Santander's Annual Report on Form 20-F for the year ended 31 December 2021 as filed with the SEC on 1 March 2022 (the "**2021 Annual Report**").

  https://www.santander.com/content/dam/santander-com/en/documentos/informacion-sobre-resultados-semestrales-y-anuales-suministrada-a-la-sec/2022/sec-2022-anual-21-f-ejercicio-2021-en.pdf

- Banco Santander's Current Report on Form 6-K for the year ended 31 December 2021 filed with the SEC on 8 April 2022 in connection with the primary and secondary segments recast for the three years ended 31 December 2021 (the "**2021 Recast Report**").

  https://www.santander.com/content/dam/santander-com/en/documentos/informacion-sobre-resultados-semestrales-y-anuales-suministrada-a-la-sec/2022/sec-2022-primary-and-secondary-segments-recast-for-the-three-years-ended-31-december-2021-en.pdf

In relation to the June 2022 Financial Statements, the 2022 January-June Financial Report and the 2022 January-September Financial Report, any information not specified in the cross-reference tables set out below but which is included in the documents from which the information incorporated by reference has been derived, is for information purposes only and is not incorporated by reference because it is not relevant for the investor.

Issuer Interim Financial Information and Interim Report

The tables below set out the relevant page references in the 2022 January-September Financial Report, June 2022 Financial Statements and the 2022 January-June Financial Report where the following information incorporated by reference in this Listing Prospectus can be found:

	Information incorporated by reference in this Listing Prospectus	**2022 January-September Financial Report page reference** [(1)]
1.	Financial Information by Segments	22-46
2.	Corporate Governance	49
3.	Financial Information	53-74
4.	Alternative Performance Measures	75-83
5.	Glossary	87
6.	Important information	88-89

Information incorporated by reference in this Listing Prospectus	June 2022 Financial Statements page reference[(1)]
1. Consolidated balance sheets at 30 June 2022 and the comparative consolidated financial information of the Issuer at 31 December 2021	102-103
2. Consolidated income statements for the six-month period ended 30 June 2022 and the comparative consolidated financial information of the Issuer for the six-month period ended 30 June 2021..	104
3. Consolidated statements of comprehensive income and expense for the six-month period ended 30 June 2022 and the comparative consolidated financial information of the Issuer for the six-month period ended 30 June 2021................	105
4. Consolidated statements of changes in total equity for the six-month period ended 30 June 2022 and the comparative consolidated statements of changes in total equity for the six-month period ended 30 June 2021	106-107
5. Consolidated cash flow statements for the six-month period ended 30 June 2022 and the comparative consolidated cash flow statement of the Issuer for the six-month period ended 30 June 2021..	108
6. Notes to the consolidated financial statements for the six-month period ended 30 June 2022	109-154

Information incorporated by reference in this Listing Prospectus	2022 January-June Financial Report page reference[(1)]
1. Financial Information by Segments	22-46
2. Corporate Governance	49-50
3. Financial Information	54-74
4. Alternative Performance Measures	75-84
5. Glossary	88
6. Important information	89-90

In relation to the 2021 Financial Statements and the 2021 Annual Report, any information not specified in the cross-reference tables set out below but which is included in the documents from which the information incorporated by reference has been derived, is for information purposes only and is not incorporated by reference because it is not relevant for the investor.

Issuer Annual Financial Information and Annual Report

The tables below set out the relevant page references in the 2021 Financial Statements and the 2021 Annual Report where the following information incorporated by reference in this Listing Prospectus can be found:

Information incorporated by reference in this Listing Prospectus	2021 Financial Statements page reference
1. Auditor's report on consolidated financial statements for the year ended 31 December 2021	514-523

Information incorporated by reference in this Listing Prospectus	2021 Financial Statements page reference
2. Audited consolidated balance sheets at 31 December 2021 and the comparative consolidated financial information of the Issuer at 31 December 2020 and 31 December 2019	525-528
3. Audited consolidated income statements for the year ended 31 December 2021 and the comparative consolidated financial information of the Issuer for the years ended 31 December 2020 and 31 December 2019	529-530
4. Audited consolidated statements of recognised income and expense for the year ended 31 December 2021 and the comparative consolidated financial information of the Issuer for the years ended 31 December 2020 and 31 December 2019	531
5. Audited consolidated statements of changes in total equity for the year ended 31 December 2021 and the comparative for the years ended 31 December 2020 and 31 December 2019	532-537
6. Audited consolidated cash flow statements for the year ended 31 December 2021 and the comparative consolidated cash flow statement of the Issuer for the years ended 31 December 2020 and 31 December 2019	538-539
7. Notes to the consolidated financial statements for the year ended 31 December 2021	540-766

Information incorporated by reference in this Listing Prospectus	2021 Annual Report page reference(1)
1. Ownership structure	CG 188-192(2)
2. Board of directors	CG 200-246(2)
3. Group structure and internal governance	CG 273-275(2)
4. Financial information by segments	EFR 368-409(3)
5. Alternative Performance Measures (APMs)	EFR 421-4293)
6. Glossary	GL 504-511(4)
7. General Information	GI 811-812(5)

Notes:

(1) Not all the pages of the 2021 Annual Report are paginated continuously. See Notes below for detailed indications on where the relevant sections incorporated by reference in this Listing Prospectus are located.

(2) "CG" corresponds to the section entitled "Corporate Governance" of the 2021 Annual Report located immediately after the section entitled "Responsible banking" and page references are to the page numbers appearing in the bottom left or right corner, as applicable, of each page in such section.

(3) "EFR" corresponds to the sub-section entitled "Economic and Financial Review" of the 2021 Annual Report located immediately after the section entitled "Corporate governance" (see note (2) above) and page references are to the page numbers appearing in the bottom left or right corner, as applicable, of each page in such section.

(4) "GL" corresponds to the sub-section entitled "Glossary" of the 2021 Annual Report located immediately after the section entitled "Risk management and compliance" and page references are to the page numbers appearing in the bottom left or right corner, as applicable, of each page in such section.

(5) "GI" corresponds to the section entitled "General Information" of the 2021 Annual Report located after the Appendix and the page reference is to the page number appearing in the bottom left or right corner, as applicable, of each page in such section.

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Banco Santander is aware) which may have, or have had in the previous twelve months, significant effects on Banco Santander's financial position or profitability.

Copies of the documents specified above as containing information incorporated by reference in this Listing Prospectus may be inspected, free of charge, at the specified offices of the Issuing and Paying Agent, the initial specified offices of which are set out below. Copies of such documents are also available for inspection at Euronext Dublin.

Banco Santander is also offering the opportunity to each prospective purchaser, prior to purchasing any Notes, to ask questions of, and receive answers from, Banco Santander and to obtain relevant information with respect to Banco Santander to the extent Banco Santander can do so without unreasonable effort or expense. To ask any such questions or request additional information regarding the offering of the Notes or Banco Santander contact:

Banco Santander, S.A.
Ciudad Grupo Santander
Avenida de Cantabria
28660 Boadilla del Monte
Madrid, Spain
Attn: Investor Relations
(011) 34-91-259-6514

Any statement contained in this Listing Prospectus or in a document incorporated by reference herein will be deemed to be modified or superseded for the purposes of this Listing Prospectus to the extent that a statement contained herein, or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Listing Prospectus.

KEY FEATURES OF THE PROGRAM

Banco Santander:	Banco Santander, S.A.
Issuer:	Banco Santander.
LEI Code:	5493006QMFDDMYWIAM13
Securities:	Unsubordinated unsecured notes issued from time to time by Banco Santander (the "**Notes**").
Exemption:	The Notes are exempt from registration under the Act, pursuant to Section 4(a)(2) thereof, and cannot be resold unless registered under the Act or an exemption from such registration is available, all as more fully described in the legend on pages 3-5 of this Listing Prospectus.
Issue Price:	The Notes will be sold at par less a discount representing an interest factor (as set forth in the Underlying Records) or if interest bearing, at par; *provided, however*, that unless previously agreed by Banco Santander and the Issuing and Paying Agent no Notes shall be issued that bear interest other than in the form of notes issued at a discount to their face amount. Please see the terms of the Notes contained in the form of Master Note (as defined below).
Minimum Purchase:	U.S.$200,000 minimum principal amount and integral multiples of U.S.$200,000 in excess thereof.
Authorized Denomination:	U.S.$200,000. The Notes may not be allocated, sub-allocated or transferred in amounts other than in authorized denominations of U.S.$200,000 and integral multiples thereof.
Program Amount:	The aggregate principal amount of Notes outstanding at any time will not exceed U.S.$25,000,000,000. The Program Amount may be increased from time to time.
Currency:	Notes will be issued in U.S. Dollars.
Maturity of the Notes:	Not less than 1 day nor more than 364 days from and including the date of issue, subject to applicable legal and regulatory requirements.

Settlement:	With respect to each issuance of Notes, on a same-day, next business day or two business day basis, as agreed by Banco Santander and the relevant Dealer.
Form of the Notes:	Each Banco Santander Note will be issued in book entry-only form under a master note (the "**Master Note**") registered in the name of the nominee of The Depository Trust Company ("**DTC**"). The Master Note will be in the form found on page 92 herein. The Master Note will be deposited with the Issuing and Paying Agent as a custodian for DTC or its successors. The Issuing and Paying Agent will request, through the facilities of DTC, that DTC create appropriate entries on its book-entry registration and transfer system reflecting, the respective amounts payable in respect of the Notes. Payments by DTC participants to purchasers for whom a DTC participant is acting as an agent in respect of Notes will be governed by the standing instructions and customary practices under which securities are held at DTC through DTC participants.
Status of the Notes:	The payment obligations of the Issuer pursuant to the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations (*créditos ordinarios*) of the Issuer, and, in accordance with Additional Provision 14.2º, of Law 11/2015, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency of the Issuer (and unless they qualify as subordinated claims (*créditos subordinados*) under article 281 of the Spanish Insolvency Law, approved by Royal Legislative Decree 1/2020, of 5 May (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal*) (the "**Insolvency Law**") or equivalent legal provision which replaces it in the future), such payment obligations in respect of principal rank (a) *pari passu* and ratably without any preference among themselves and with any Senior Higher Priority Liabilities and (b) senior to (i) Senior Non Preferred Liabilities and (ii) any present and future subordinated obligations (*créditos subordinados*) of the Issuer in accordance with article 281 of the Insolvency Law. "**Law 11/2015**" means Law 11/2015, of 18 June, on recovery and resolution of credit institutions and investment firms, as amended from time to time. "**Senior Higher Priority Liabilities**" means any obligations in respect of principal of the Issuer under any Notes and any other

unsecured and unsubordinated obligations (*créditos ordinarios*) of the Issuer, other than the Senior Non Preferred Liabilities; and

"**Senior Non Preferred Liabilities**" means any unsubordinated and unsecured senior non preferred obligations (*créditos ordinarios no preferentes*) of the Issuer under Additional Provision 14.2º of Law 11/2015, and any other obligations which, by law and/or by their terms, and to the extent permitted by Spanish law, rank *pari passu* with the Senior Non Preferred Liabilities.

Additional Amounts:

(a) All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Notes by Banco Santander shall be in U.S. Dollars and will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, Banco Santander shall (subject to paragraph (b)) pay such additional amounts as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required.

(b) Banco Santander shall not be required to pay any additional amounts as referred to in condition (a) in relation to any payment in respect of any Note:

(i) to, or to a third party on behalf of, a Noteholder who is liable for such taxes or duties in respect of such Notes by reason of his having some connection with Spain other than the mere holding of such Note; or

(ii) presented for payment, where presentation is required, more than fifteen days after the Relevant Date, except to the extent that the relevant Noteholder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of fifteen days; or

(iii) with respect to any withholding or deduction that would not have been imposed but for the failure of the Noteholder or beneficial owner to comply with a timely request of Banco Santander addressed to the Noteholder to provide certification or information concerning the nationality, residence or identity of the Noteholder or beneficial owner of the Note, if due and timely compliance is required as a precondition to relief or exemption from the tax, duty assessment or governmental charge under the laws (not including treaties) of the Kingdom of Spain;

Nor will additional amounts be paid with respect to any payment on a Note to a Noteholder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of that payment to the extent that payment would be required to be included in income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interest holder in a limited liability company or a beneficial owner who would not have been entitled to the additional amounts had that beneficiary, settlor, member or beneficial owner been the holder.

(c) For the purposes of the provisions above, the "**Relevant Date**" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Issuing and Paying Agent on or prior to such due date, it means the first date on which the full amount of such moneys has been received and is available for payment to Noteholders.

No comment is made or advice given by Banco Santander or any Dealer in respect of taxation matters relating to the Notes and each investor is advised to consult its own professional adviser. The provision in clause (b) above describes the limited circumstances in which Banco Santander will not be required to pay any additional amounts in respect of any withholding tax or deduction levied by or on behalf of the tax authorities of the Kingdom of Spain.

Information Requirements under Spanish Tax Law:

Under Spanish Law 10/2014 and Royal Decree 1065/2007, Banco Santander is required to provide to the Spanish tax authorities certain information relating to the Notes.

This information must be obtained with respect to each Payment Date by 8:00 PM (New York time) on the New York Business Day immediately preceding such Payment Date and filed by Banco Santander with the Spanish tax authorities on an annual basis.

If the Issuing and Paying Agent fails to provide Banco Santander with the required information as set forth in Exhibit I hereto in respect of the Notes, Banco Santander may be required to withhold tax and will, subject to certain exceptions, pay additional amounts with respect to any such withholding tax.

Events of Default

In the case of interest bearing Notes only, default in any payment of interest on such Note, if such default continues for a period of three days after when such payment is due, shall constitute an "Event of Default" with respect to such Note. Upon the occurrence of an Event of Default, the principal of each obligation evidenced by such Note (together with interest accrued and unpaid thereon) shall become, without any notice or demand, immediately due and payable.

See "Agreement and Acknowledgement with Respect to the Exercise of Spanish Bail-in Power with Respect to the Notes" below.

Agreement and Acknowledgement with Respect to the Exercise of Spanish Bail-in Power with Respect to the Notes

Notwithstanding any other term of the Notes or any other agreements, arrangements, or understandings between Banco Santander and any holder of the Notes, by its acquisition of any Notes, each holder (which, for the purposes of this clause, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees to be bound by:

(a) the effect of an exercise of the Spanish Bail-in Power (as defined below) by the Relevant Resolution Authority (as defined below), which exercise may include and result in any of the following, or some combination thereof:

   (i) the reduction of all, or a portion, of the Amounts Due (as defined below) on the Notes;

   (ii) the conversion of all, or a portion, of the Amounts Due on the Notes into ordinary shares, other

securities or other obligations of Banco Santander or another person (and the issue to or conferral on the holder of Notes of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes;

(iii) the cancellation of the Notes;

(iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

(b) the variation of the terms of the Notes, if necessary, to give effect to the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority.

No repayment or payment of Amounts Due on the Notes will become due and payable or be paid after the exercise of any Spanish Bail-in Power by the Relevant Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

For these purposes, the "**Amounts Due**" are the principal amount of, premium, if any, together with any accrued but unpaid interest, and additional amounts, if any, due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority.

For these purposes, the "**Spanish Bail-in Power**" is any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Kingdom of Spain, relating to (i) the transposition of the BRRD, as amended or superseded from time to time, including, but not limited to Law 11/2015, as amended from time to time and Royal Decree 1012/2015, as amended from time to time, (ii) the SRM Regulation, as amended or superseded from time to time and (iii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a Regulated Entity (as defined below) (or other affiliate of such Regulated Entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other

obligations of such Regulated Entity or any other person (or suspended for a temporary period).

A reference to a "**Regulated Entity**" is to any entity to which Law 11/2015 applies as provided under Article 1.2 of Law 11/2015, as amended from time to time, which includes, certain credit institutions, investment firms, and certain of their parent or holding companies.

A reference to the "**Relevant Resolution Authority**" is to the FROB, the SRB, and/or any other entity with the authority to exercise the Spanish Bail-in Power from time to time.

Neither a reduction or cancellation, in part or in full of the Amounts Due on, the conversion thereof into another security or obligation of Banco Santander or another person, as a result of the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority with respect to Banco Santander, nor the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority with respect to the Notes will be an Event of Default under the Notes.

Upon the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority with respect to the Notes, Banco Santander will provide a written notice to the holders of the Notes through DTC as soon as practicable regarding such exercise of the Spanish Bail-in Power. Banco Santander will also deliver a copy of such notice to the Issuing and Paying Agent for information purposes.

By its acquisition of any Notes, each holder of the Notes, (which, for the purposes of this clause, includes each holder of a beneficial interest in the Notes) will waive any and all claims, in law and/or in equity, against the Issuing and Paying Agent for, agrees not to initiate a suit against the Issuing and Paying Agent in respect of, and agrees that the Issuing and Paying Agent will not be liable for, any action that the Issuing and Paying Agent takes, or abstains from taking, in either case in accordance with the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority with respect to the Notes.

Additionally, by its acquisition of any Notes, each holder of the Notes acknowledges and agrees that, upon the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority the Third Amended and Restated Issuing and Paying Agency Agreement will not impose any duties upon the Issuing and Paying

Agent whatsoever with respect to the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority; provided, however, that notwithstanding the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority, so long as the Notes remain outstanding, there will at all times be an Issuing and Paying Agent for the Notes in accordance with the Third Amended and Restated Issuing and Paying Agency Agreement, and the resignation and/or removal of the Issuing and Paying Agent and the appointment of a successor Issuing and Paying Agent will continue to be governed by the Third Amended and Restated Issuing and Paying Agency Agreement, including to the extent no amendment is agreed upon in the event the Notes remain outstanding following the completion of the exercise of the Spanish Bail-in Power.

By purchasing any Notes, each holder of the Notes (including each beneficial owner) shall be deemed to have authorized, directed and requested DTC and any direct participant in DTC or other intermediary through which it holds the Notes to take any and all necessary action, if required, to implement the exercise of the Spanish Bail-in Power with respect to the Notes as it may be imposed, without any further action or direction on the part of such holder.

Agreement and Acknowledgement with Respect to the Exercise of Resolution Tools with Respect to the Notes

Notwithstanding any other term of the Notes or any other agreements, arrangements, or understandings between Banco Santander and any holder of the Notes, by its acquisition of any Notes, each holder (which, for the purposes of this clause, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents and agrees to be bound by the effect of the exercise of any resolution tools (including but not limited to the sale of business tool, the bridge institution tool and the asset separation tool) by the Relevant Resolution Authority in compliance with, any laws, regulations, rules or requirements in effect in the Kingdom of Spain, relating to (i) the transposition of BRRD, including but not limited to Law 11/2015 and Royal Decree 1012/2015, (ii) the SRM Regulation and (iii) the instruments, rules and standards created thereunder.

Governing Law:

The status of the Notes, the capacity of Banco Santander and the relevant corporate resolutions shall be governed by Spanish law. The terms and conditions of the Notes and all related contractual documentation will be governed by and construed in accordance

	with New York law, without regard to its conflict of laws provisions.
Listing and Trading:	Application has been made to Euronext Dublin for Notes issued under the Program during the period of twelve months after the date of this Listing Prospectus to be admitted to the Official List of Euronext Dublin and to trading on the regulated market of Euronext Dublin. Notes may be listed, traded and/or quoted on any other listing authority, stock exchange and/or quotations system, as may be agreed between Banco Santander and the relevant Dealer. No Notes may be issued on an unlisted basis.
Use of Proceeds:	The proceeds from the sale of Notes will be used for general financing and corporate purposes.
Issuing and Paying Agent:	The Bank of New York Mellon, London Branch
Ratings:	Ratings are not a recommendation to purchase, hold or sell the Notes. Ratings are based on current information furnished to the rating agencies by Banco Santander and information obtained by the rating agencies from other sources. Because ratings may be changed, superseded or withdrawn as a result of changes in, or unavailability of, such information, a prospective purchaser should verify the current long-term and short-term ratings of Banco Santander before purchasing Notes.

BANCO SANTANDER, S.A.

The description of the Issuer is set out in certain sections of the 2021 Annual Report. These sections have been incorporated by reference into this Listing Prospectus (see "Documents Incorporated by Reference"), which provides a table reconciling the content of this section with the corresponding page number(s) of the 2021 Annual Report containing such information.

FORM OF MASTER NOTE

The Depository Trust Company

A subsidiary of the Depository Trust & Clearing Corporation

CORPORATE COMMERCIAL PAPER—MASTER NOTE

________________ 2022

Banco Santander, S.A. (the "**Issuer**"), for value received, hereby promises to pay subject to terms set forth herein to Cede & Co., as nominee of The Depository Trust Company, or to registered assigns: (i) the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of Issuer (the "**Underlying Records**") as being evidenced by this Note, which Underlying Records are maintained by The Bank of New York Mellon, London Branch (the "**Issuing and Paying Agent**"); (ii) interest on the principal amount of each such obligation that is payable in installments, if any, on the due date of each installment, as specified on the Underlying Records; and (iii) the principal amount of each such obligation that is payable in installments, if any, on the due date of each installment, as specified on the Underlying Records. Interest shall be calculated at the rate and according to the calculation convention specified in the Underlying Records. Payments shall be made by wire transfer to the registered owner from the Issuing and Paying Agent without the necessity of presentation and surrender of this Note.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS NOTE SET FORTH ON THE REVERSE HEREOF AND IN SCHEDULES A, B, C AND D HERETO WHICH ARE HEREBY INCORPORATED TO THIS MASTER NOTE AND MADE FULLY A PART HEREOF.

This Master Note is a valid and binding obligation of Issuer.

Not Valid Unless Countersigned for Authentication by Issuing and Paying Agent.

The Bank of New York Mellon, London Branch (Issuing and Paying Agent)	Banco Santander, S.A. (Issuer)
By: ____________________ (Authorized Countersignature)	By: ____________________ (Authorized Countersignature)

At the request of the registered owner, Issuer shall promptly issue and deliver one or more separate note certificates evidencing each debt obligation evidenced by this Master Note. As of the date any such note certificate or certificates are issued, the Debt Obligations which are evidenced thereby shall no longer be evidenced by this Master Note.

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

____

(Name, Address, and Taxpayer Identification Number of Assignee)

the Master Note and all rights thereunder, hereby irrevocably constituting and appointing _________________ attorney to transfer said Master Note on the books of Issuer with full power of substitution in the premises.

Dated:

____

(Signature)
NOTICE: The signature on the assignment must correspond with the name as written upon the face of this Master Note, in every particular, without alteration or enlargement or any change whatsoever.

Unless the certificate is presented by an authorized representative of the Depository Trust Company, a New York corporation ("**DTC**"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as its requested by an authorized representative of DTC.) ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

SCHEDULE A

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR ANY OTHER APPLICABLE SECURITIES LAW, AND OFFERS AND SALES THEREOF MAY BE MADE ONLY IN COMPLIANCE WITH AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. BY ITS ACCEPTANCE OF A NOTE, THE PURCHASER WILL BE DEEMED TO REPRESENT THAT (I) IT HAS BEEN AFFORDED AN OPPORTUNITY TO INVESTIGATE MATTERS RELATING TO BANCO SANTANDER, S.A. (THE "**ISSUER**") AND THE NOTES, (II) IT IS NOT ACQUIRING SUCH NOTE WITH A VIEW TO ANY DISTRIBUTION THEREOF AND (III) IT IS EITHER (A)(1) AN INSTITUTIONAL INVESTOR THAT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(a) UNDER THE ACT (AN "**INSTITUTIONAL ACCREDITED INVESTOR**") THAT IS (2)(i) PURCHASING NOTES FOR ITS OWN ACCOUNT, (ii) A BANK (AS DEFINED IN SECTION 3(a)(2) OF THE ACT) OR A SAVINGS AND LOAN ASSOCIATION OR OTHER INSTITUTION (AS DEFINED IN SECTION 3(a)(5)(A) OF THE ACT) ACTING IN ITS INDIVIDUAL OR FIDUCIARY CAPACITY OR (iii) A FIDUCIARY OR AGENT (OTHER THAN SUCH BANK, SAVINGS AND LOAN ASSOCIATION OR OTHER INSTITUTION) PURCHASING NOTES FOR ONE OR MORE ACCOUNTS EACH OF WHICH ACCOUNTS IS SUCH AN INSTITUTIONAL ACCREDITED INVESTOR; OR (B) A QUALIFIED INSTITUTIONAL BUYER ("**QIB**") WITHIN THE MEANING OF RULE 144A UNDER THE ACT THAT IS ACQUIRING NOTES FOR ITS OWN ACCOUNT OR FOR ONE OR MORE ACCOUNTS, EACH OF WHICH ACCOUNTS IS A QIB; AND THE PURCHASER ACKNOWLEDGES THAT IT IS AWARE THAT THE SELLER MAY RELY UPON THE EXEMPTION FROM THE REGISTRATION PROVISIONS OF SECTION 5 OF THE ACT PROVIDED BY RULE 144A. BY ITS ACCEPTANCE OF A NOTE, THE PURCHASER THEREOF SHALL ALSO BE DEEMED TO AGREE THAT ANY RESALE OR OTHER TRANSFER THEREOF WILL BE MADE ONLY (A) IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE ACT, EITHER (1) TO THE ISSUER OR TO A PERSON DESIGNATED BY THE ISSUER AS A DEALER FOR THE NOTES (COLLECTIVELY, THE "**DEALERS**"), NONE OF WHICH SHALL HAVE ANY OBLIGATION TO ACQUIRE SUCH NOTE, (2) THROUGH A DEALER TO AN INSTITUTIONAL ACCREDITED INVESTOR OR A QIB, OR (3) TO A QIB IN A TRANSACTION THAT MEETS THE REQUIREMENTS OF RULE 144A AND (B) IN AN AUTHORIZED DENOMINATION OF U.S.$200,000 OR AN INTEGRAL MULTIPLE THEREOF.

THE NOTES ARE ISSUED IN AN AUTHORIZED DENOMINATION OF U.S.$200,000, AND MAY NOT BE ALLOCATED, SUB-ALLOCATED OR TRANSFERRED IN ANY AMOUNT OTHER THAN IN SUCH AUTHORIZED DENOMINATION OF U.S.$200,000 AND INTEGRAL MULTIPLES THEREOF. THE NOTES MUST NOT BE OFFERED, DISTRIBUTED OR SOLD IN SPAIN IN THE PRIMARY MARKET.

SCHEDULE B

Statement of Terms for Notes of Banco Santander, S.A.

1. General.

(a) The obligations of the Issuer to which these terms apply (each a "**Note**") are represented by one or more Master Notes (each, a "**Master Note**") issued in the name of (or of a nominee for) The Depository Trust Company ("**DTC**"), which Master Note includes the applicable terms and provisions for the Notes that are set forth in this Statement of Terms and in Schedules A, C and D attached hereto, since this Statement of Terms and Schedules A, C and D attached hereto constitute an integral part of the Underlying Records as defined and referred to in the Master Note, as well as any other terms and provisions set forth in the Underlying Records.

(b) "**Business Day**" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law, executive order or regulation to be closed in New York City.

2. Status of the Notes.

The payment obligations of the Issuer pursuant to the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations (*créditos ordinarios*) of the Issuer, and, in accordance with Additional Provision 14.2º of Law 11/2015, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency of the Issuer (and unless they qualify as subordinated claims (*créditos subordinados*) under article 281 of the Spanish Insolvency Law, approved by Royal Legislative Decree 1/2020, of 5 May (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal*) (the "**Insolvency Law**") or equivalent legal provision which replaces it in the future), such payment obligations in respect of principal rank (a) *pari passu* and ratably without any preference among themselves and with any Senior Higher Priority Liabilities and (b) senior to (i) Senior Non Preferred Liabilities and (ii) any present and future subordinated obligations (*créditos subordinados*) of the Issuer in accordance with article 281 of the Insolvency Law.

"**Law 11/2015**" means Law 11/2015, of 18 June, on recovery and resolution of credit institutions and investment firms, as amended from time to time.

"**Senior Higher Priority Liabilities**" means any obligations in respect of principal of the Issuer under any Notes and any other unsecured and unsubordinated obligations (*créditos ordinarios*) of the Issuer, other than the Senior Non Preferred Liabilities; and

"**Senior Non Preferred Liabilities**" means any unsubordinated and unsecured senior non preferred obligations (*créditos ordinarios no preferentes*) of the Issuer under Additional Provision 14.2º of Law 11/2015 and any other obligations which, by law and/or by their terms,

and to the extent permitted by Spanish law, rank *pari passu* with the Senior Non Preferred Liabilities.

3. Additional Amounts.

(a) All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Notes by the Issuer shall be in U.S. Dollars and will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer shall (subject to paragraph (b)) pay such additional amounts as will result in receipt by the holders of Notes (the "**Noteholders**") of such amounts as would have been received by them had no such withholding or deduction been required.

(b) The Issuer shall not be required to pay any additional amounts as referred to in condition (a) in relation to any payment in respect of any Note:

(i) to, or to a third party on behalf of, a Noteholder who is liable for such taxes or duties in respect of such Notes by reason of his having some connection with Spain other than the mere holding of such Note; or

(ii) presented for payment, where presentation is required, more than fifteen days after the Relevant Date (as defined herein), except to the extent that the relevant Noteholder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of fifteen days; or

(iii) with respect to any withholding or deduction that would not have been imposed but for the failure of the Noteholder or beneficial owner to comply with a timely request of the Issuer, addressed to the Noteholder to provide certification or information concerning the nationality, residence or identity of the Noteholder or beneficial owner of the Note, if due and timely compliance is required as a precondition to relief or exemption from the tax, duty assessment or governmental charge under the laws (not including treaties) of the Kingdom of Spain;

Nor will additional amounts be paid with respect to any payment on a Note to a Noteholder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of that payment to the extent that payment would be required to be included in income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interest holder in a limited liability company or a beneficial owner who would not have been entitled to the additional amounts had that beneficiary, settlor, member or beneficial owner been the holder.

(c) For the purposes of the provisions above, the "**Relevant Date**" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Issuing and Paying Agent on or prior to such due date, it means the first date on which the full amount of such moneys has been received and is available for payment to Noteholders.

No comment is made or advice given by the Issuer or any Dealer in respect of taxation matters relating to the Notes and each investor is advised to consult its own professional adviser. The provision in clause (b) above describes the limited circumstances in which the Issuer will not be required to pay any additional amounts in respect of any withholding tax or deduction levied by or on behalf of the tax authorities of the Kingdom of Spain.

4. Issue Price. The Notes will be sold at par less a discount representing an interest factor (as set forth in the Underlying Records) or if interest bearing, at par. Notes that bear interest will do so at a fixed rate ("**Fixed Rate Notes**") or at a floating rate ("**Floating Rate Notes**"). See Schedule C attached hereto for the terms of Fixed Rate Notes and Schedule D attached hereto for the terms of Floating Rate Notes.

5. Redemption. The Notes are not redeemable or subject to prepayment except as described below.

6. Events of Default. In the case of interest bearing Notes only, default in any payment of interest on such Note, if such default continues for a period of three days after when such payment is due, shall constitute an "**Event of Default**" with respect to such Note. Upon the occurrence of an Event of Default, the principal of each obligation evidenced by such Note (together with interest accrued and unpaid thereon) shall become, without any notice or demand, immediately due and payable.

   Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority with respect to the Issuer nor the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority with respect to the Notes will be an event of default.

7. Final Maturity. The "**Maturity Date**" for any Note will be the date so specified in the Underlying Records, which shall be not less than one day nor more than 364 days from and including the date of issuance, subject to applicable legal and regulatory requirements. Subject to Section 11 and Section 12 below, on its Maturity Date or, in the case of interest bearing Notes only, any date prior to the Maturity Date on which the particular Note becomes due and payable by the declaration of acceleration, each such date being referred to as a Maturity Date, the principal amount of each Note, together with accrued and unpaid interest thereon, will be immediately due and payable.

8. Payment. Payment of the principal of and interest (if any) on the Notes will be made upon presentation or, at maturity, surrender of Notes to the Issuing and Paying Agent, or such other

office or agency of the Issuer maintained by it for that purpose in the Borough of Manhattan, The City of New York in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; *provided* that if a Note is in book-entry form under a Master Note as indicated in the Underlying Records, payment to DTC may be made, by wire transfer to the account designated by DTC in writing; *provided* that if a Note is not in book-entry form under a Master Note, payment of the principal of and interest (if any) on such Note due at maturity will be made in immediately available funds at such corporate trust office or such other offices or agencies if a Note is presented to the Issuing and Paying Agent or any other issuing and paying agent in time for the Issuing and Paying Agent or such other issuing and paying agent to make such payments in accordance with its normal procedures; and *provided*, *further*, that, at the option of the Issuer, payment of interest (if any) (other than interest payable at maturity) may be made by check mailed to the address of the person entitled thereto as such address shall appear in the records of the Issuing and Paying Agent unless that address is in the Issuer's country of incorporation or, if different, country of tax residence.

In any case where any Interest Payment Date (as defined in Schedule C hereto with respect to Fixed Rate Notes and in Schedule D hereto with respect to Floating Rate Notes) or Maturity Date of a Note shall not be a Business Day at any place of payment, then payment of principal of and interest, if any, on such Note need not be made at such place of payment on such date, but may be made on the next succeeding Business Day at such place of payment with the same force and effect as if made on the Interest Payment Date or at the Maturity Date and no interest on such payment shall accrue for the period from and after such Interest Payment Date or Maturity Date, as the case may be, to such next succeeding Business Day.

Any reference herein to "principal" and/or "interest" in respect of a Note shall be deemed also to refer to any additional amounts which may be payable under a Note. Unless the context otherwise requires, any reference in a Note to "principal" shall include any redemption amount and any other amounts in the nature of principal payable pursuant to these terms and conditions and "interest" shall include all amounts payable pursuant to a Note, and any other amounts in the nature of interest payable pursuant to a Note.

9. <u>Authorized Amount</u>. The Notes are limited in aggregate principal amount outstanding at any time up to the U.S. Dollar authorized amount determined by the Issuer from time to time. The terms of individual Notes may vary with respect to interest rates, issue dates, maturity dates, currencies or otherwise, all as provided in the Underlying Records.

10. <u>Obligation Absolute</u>. No provision of the Third Amended and Restated Issuing and Paying Agency Agreement dated 17 November 2022, as the same may be amended, supplemented or modified from time to time (the "**Third Amended and Restated Issuing and Paying Agency Agreement**"), between the Issuer and the Issuing and Paying Agent under which the Notes are issued shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on each Note at the times, place and rate, and in the coin or

currency, herein prescribed, except as the same may be modified pursuant to Sections 11 and 12 below.

11. Agreement and Acknowledgement with Respect to the Exercise of Spanish Bail-in Power with Respect to the Notes.

Notwithstanding any other term of the Notes or any other agreements, arrangements, or understandings between the Issuer and any holder of the Notes, by its acquisition of any Notes, each holder (which, for the purposes of this clause, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees to be bound by:

(a) the effect of an exercise of the Spanish Bail-in Power (as defined below) by the Relevant Resolution Authority (as defined below), which exercise may include and result in any of the following, or some combination thereof:

(i) the reduction of all, or a portion, of the Amounts Due (as defined below) on the Notes;

(ii) the conversion of all, or a portion, of the Amounts Due on the Notes into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of Notes of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes;

(iii) the cancellation of the Notes;

(iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

(b) the variation of the terms of the Notes, if necessary, to give effect to the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority.

No repayment or payment of Amounts Due on the Notes, will become due and payable or be paid after the exercise of any Spanish Bail-in Power by the Relevant Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

For these purposes, the "**Amounts Due**" are the principal amount of, premium, if any, together with any accrued but unpaid interest, and additional amounts, if any, due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority.

For these purposes, the "**Spanish Bail-in Power**" is any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Kingdom of

Spain, relating to (i) the transposition of Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or superseded from time to time ("**BRRD**"), including but not limited to Law 11/2015 and Royal Decree 1012/2015 dated 6 November, by virtue of which Law 11/2015 is developed and Royal Decree 2606/1996, dated 20 December, on credit entities' deposit guarantee fund is amended, as amended from time to time ("**Royal Decree 1012/2015**"), (ii) the Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Resolution Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010, as amended or superseded from time to time (the "**SRM Regulation**") and (iii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a Regulated Entity (as defined below) (or other affiliate of such Regulated Entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such Regulated Entity or any other person (or suspended for a temporary period).

A reference to a "**Regulated Entity**" is to any entity to which Law 11/2015 applies as provided under Article 1.2 of Law 11/2015, as amended from time to time, which includes, certain credit institutions, investment firms, and certain of their parent or holding companies.

A reference to the "**Relevant Resolution Authority**" is to the Spanish Fund for the Orderly Restructuring of Banks (the "**FROB**"), the Single Resolution Board (the "**SRB**") and/or any other entity with the authority to exercise the Spanish Bail-in Power from time to time.

Neither a reduction or cancellation, in part or in full of the Amounts Due on, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority with respect to the Issuer, nor the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority with respect to the Notes will be an Event of Default.

Upon the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority with respect to the Notes, the Issuer will provide a written notice to the holders of the Notes through DTC as soon as practicable regarding such exercise of the Spanish Bail-in Power. The Issuer will also deliver a copy of such notice to the Issuing and Paying Agent for information purposes.

By its acquisition of any Notes, each holder of the Notes (which, for the purposes of this clause, includes each holder of a beneficial interest in the Notes) will waive any and all claims, in law and/or in equity, against the Issuing and Paying Agent for, agrees not to initiate a suit against the Issuing and Paying Agent in respect of, and agrees that the Issuing and Paying Agent will not be liable for, any action that the Issuing and Paying Agent takes, or abstains from taking, in either case in accordance with the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority with respect to the Notes.

Additionally, by its acquisition of any Notes, each holder of the Notes acknowledges and agrees that, upon the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority the Third Amended and Restated Issuing and Paying Agency Agreement will not impose any duties upon the Issuing and Paying Agent whatsoever with respect to the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority; *provided, however,* that notwithstanding the exercise of the Spanish Bail-in Power by the Relevant Resolution Authority, so long as the Notes remain outstanding, there will at all times be an Issuing and Paying Agent for the Notes in accordance with the Third Amended and Restated Issuing and Paying Agency Agreement, and the resignation and/or removal of the Issuing and Paying Agent and the appointment of a successor Issuing and Paying Agent will continue to be governed by the Third Amended and Restated Issuing and Paying Agency Agreement, including to the extent no amendment is agreed upon in the event the Notes remain outstanding following the completion of the exercise of the Spanish Bail-in Power.

By purchasing any Notes, each holder of the Notes (including each beneficial owner) shall be deemed to have authorized, directed and requested DTC and any direct participant in DTC or other intermediary through which it holds the Notes to take any and all necessary action, if required, to implement the exercise of the Spanish Bail-in Power with respect to the Notes as it may be imposed, without any further action or direction on the part of such holder.

12. Agreement and Acknowledgement with Respect to the Exercise of Resolution Tools with Respect to the Notes.

Notwithstanding any other term of the Note or any other agreements, arrangements, or understandings between the Issuer and any Noteholder, by its acquisition of any Notes, each Noteholder (which, for the purposes of this clause, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents and agrees to be bound by the effect of the exercise of any resolution tools (including but not limited to the sale of business tool, the bridge institution tool and the asset separation tool) by the Relevant Resolution Authority in compliance with, any laws, regulations, rules or requirements in effect in the Kingdom of Spain, relating to (i) the transposition of BRRD, including but not limited to Law 11/2015 and Royal Decree 1012/2015, (ii) the SRM Regulation and (iii) the instruments, rules and standards created thereunder.

By its acquisition of any Notes, each Noteholder (which, for the purposes of this clause, includes each holder of a beneficial interest in the Notes) will waive any and all claims, in law and/or in equity, against the Issuing and Paying Agent for, agrees not to initiate a suit against the Issuing and Paying Agent in respect of, and agrees that the Issuing and Paying Agent will not be liable for, any action that the Issuing and Paying Agent takes, or abstains from taking, in either case in accordance with the exercise of any resolution power by the Relevant Resolution Authority.

Additionally, by its acquisition of any Notes, each Noteholder acknowledges and agrees that, upon the exercise of any resolution power by the Relevant Resolution Authority, the Third

Amended and Restated Issuing and Paying Agency Agreement will not impose any duties upon the Issuing and Paying Agent whatsoever with respect to the exercise of any resolution tool by the Relevant Resolution Authority; *provided, however,* that notwithstanding the exercise of any resolution tool by the Relevant Resolution Authority, so long as the Notes remain outstanding, there will at all times be an issuing and paying agent for the Notes in accordance with the Third Amended and Restated Issuing and Paying Agency Agreement, and the resignation and/or removal of the Issuing and Paying Agent and the appointment of a successor Issuing and Paying Agent will continue to be governed by the Third Amended and Restated Issuing and Paying Agency Agreement, including to the extent no amendment is agreed upon in the event the Notes remain outstanding following the completion of the exercise of the resolution tool.

By its acquisition of any Notes, each Noteholder (including each beneficial owner) shall be deemed to have authorized, directed and requested DTC and any direct participant in DTC or other intermediary through which it holds the Notes to take any and all necessary action, if required, to implement the exercise of any resolution tool with respect to the Notes as it may be imposed, without any further action or direction on the part of such Noteholder.

13. Governing Law. The status of the Notes, the capacity of the Issuer and its corporate resolutions shall be governed by Spanish law. The terms and conditions of the Notes will be governed by and construed in accordance with New York law, without regard to its conflict of laws provisions.

14. Submission to Jurisdiction.

(a) The Issuer agrees that any suit, action or proceeding brought in connection with or arising out of the Notes shall be brought solely in the United States federal courts located in the Borough of Manhattan or the courts of the State of New York located in the Borough of Manhattan. EACH NOTEHOLDER AND THE ISSUER WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

(b) The Issuer hereby irrevocably accepts and submits to the non-exclusive jurisdiction of each of the aforesaid courts in personam, generally and unconditionally, for itself and in respect of its properties, assets and revenues, with respect to any suit, action or proceeding in connection with or arising out of the Notes.

(c) The Issuer hereby irrevocably designates, appoints and empowers Banco Santander, S.A., New York Branch, with offices at 45 East 53rd Street, New York, New York 10022, as its designee, appointee and agent to receive, accept and acknowledge for and on its behalf, and its properties, assets and revenues, service for any and all legal process, summons, notices and documents which may be served in any such action, suit or proceeding brought in the courts listed in Section 14(a) which may be made on such designee, appointee and agent in accordance with legal procedures prescribed for such courts, with respect to any suit, action or

proceeding in connection with or arising out of the Notes. If for any reason such designee, appointee and agent hereunder shall cease to be available to act as such, the Issuer agrees to designate a new designee, appointee and agent in The City of New York on the terms and for the purposes of this Section 14 satisfactory to the Noteholders. The Issuer further hereby irrevocably consents and agrees to the service of any and all legal process, summons, notices and documents out of any of the aforesaid courts in any such action, suit or proceeding by serving a copy thereof upon the agent for service of process referred to in this Section 14 (whether or not the appointment of such agent shall for any reason prove to be ineffective or such agent shall accept or acknowledge such service) or by mailing copies thereof by registered or certified airmail, postage prepaid, to it at its address specified in or designated pursuant to the terms of the Notes. The Issuer agrees that the failure of any such designee, appointee and agent to give any notice of such service to it shall not impair or affect in any way the validity of such service or any judgment rendered in any action or proceeding based thereon. Nothing herein shall in any way be deemed to limit the ability of the holders of any Notes to serve any such legal process, summons, notices and documents in any other manner permitted by applicable law or to obtain jurisdiction over the undersigned or bring actions, suits or proceedings against the undersigned in such other jurisdictions, and in such other manner, as may be permitted by applicable law. The Issuer hereby irrevocably and unconditionally waives, to the extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions, suits or proceedings arising out of or in connection with the Notes brought in the courts listed in Section 14(a) and hereby further irrevocably and unconditionally waives, to the extent permitted by law, and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(d) To the extent that the Issuer or any of their respective properties, assets or revenues may have or may hereafter become entitled to, or have attributed to them, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding in connection with or arising out of the Notes, from the giving of any relief in any thereof, from setoff or counterclaim, from the jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution of judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any jurisdiction in which proceeding may at any time be commenced, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with the Notes, it hereby irrevocably and unconditionally waives, and agrees for the benefit of the any holder from time to time of the Notes not to plead or claim, any such immunity, and consents to such relief and enforcement.

15. Underlying Records. Any term contained in the Underlying Records shall supersede and complete any term contained in a Master Note or any of the schedules thereto.

SCHEDULE C

Statement of Terms for Fixed Rate Notes of Banco Santander, S.A.

THE RELEVANT INTEREST RATE TERMS IDENTIFIED BELOW WILL BE SPECIFIED, TO THE EXTENT APPLICABLE, WITH RESPECT TO ANY NOTE, IN THE UNDERLYING RECORDS RELATING TO THAT NOTE.

1) Interest Rate Provisions for Fixed Rate Notes

Interest on any Fixed Rate Note will be paid thereon (computed, unless a different computation period (the "**Computation Period**") is specified in the Underlying Records, on the basis of a 360-day year of twelve 30-day months) from and including the Original Issue Date of the Fixed Rate Note specified in the Underlying Records (the "**Original Issue Date**") or from and including the most recent Interest Payment Date to which interest on the Fixed Rate Note has been paid or duly provided for, on the Interest Payment Date(s) specified in the Underlying Records in each year (each an "**Interest Payment Date**") and at maturity, commencing on the first Interest Payment Date next succeeding the Original Issue Date, at the rate per annum equal to the interest rate specified in the Underlying Records, until the principal thereof is paid or made available for payment; *provided* that the Issuer will make such payments in U.S. Dollars in amounts determined as set forth in the Underlying Records. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will be paid to the person in whose name the Fixed Rate Note is registered at the close of business on the fifteenth day (whether or not a Business Day, as defined herein) next preceding such Interest Payment Date or such other Regular Record Date specified in the Underlying Records (the "**Regular Record Date**"); *provided* that interest payable at maturity will be payable to the person to whom principal shall be payable; and *provided, further*, that if the Original Issue Date is after a Regular Record Date and before the next succeeding Interest Payment Date the first payment of interest shall be payable on the second Interest Payment Date following the Original Issue Date to the person in whose name the Fixed Rate Note is registered at the close of business on the Regular Record Date immediately preceding such second Interest Payment Date. The interest payable thereon on any Interest Payment Date will be the interest accrued from and including the Original Issue Date or from and including the most recent Interest Payment Date to which interest has been paid or duly provided for, as the case may be, to but excluding such Interest Payment Date. Notwithstanding the foregoing, the interest payable at maturity will include interest accrued to but excluding the date of maturity, to the extent not previously paid.

2) Relevant Interest Rate Terms for Fixed Rate Notes

The following is a list of certain terms for Fixed Rate Notes that shall be specified in the Underlying Records with respect to any Note. Terms may be specified to be inapplicable.

PRINCIPAL AMOUNT: ________________________

ORIGINAL ISSUE DATE: ________________________

MATURITY DATE: ________________________

COMPUTATION PERIOD (if other than 360-day year of twelve 30-day months): ____________________

INTEREST RATE: ____________________

INTEREST PAYMENT DATE(S) (if any): ____________________

REGULAR RECORD DATE (if different from that determined pursuant to Schedule C hereto): ____________________

CUSIP Number: ____________________

SCHEDULE D

Statement of Terms for Floating Rate Notes of Banco Santander, S.A.

THE RELEVANT INTEREST RATE TERMS IDENTIFIED BELOW WILL BE SPECIFIED, TO THE EXTENT APPLICABLE, WITH RESPECT TO ANY NOTE, IN THE UNDERLYING RECORDS RELATING TO THAT NOTE.

1) Interest Rate Provisions for Floating Rate Notes

Interest on any Floating Rate Note will be paid thereon from and including the Original Issue Date of the Floating Rate Note specified in the Underlying Records (the "**Original Issue Date**") or from and including the most recent Interest Payment Date (as hereinafter defined) to which interest on the Floating Rate Note has been paid or duly provided for (or, if the Interest Reset Period specified in the Underlying Records is daily or weekly, from and including the day following the Regular Record Date (as defined herein) immediately preceding such Interest Payment Date), at a rate per annum determined in accordance with the provisions herein under the heading "Determination of CD Rate", "Determination of Commercial Paper Rate", "Determination of Prime Rate", "Determination of Federal Funds Rate", "Determination of SOFR" or "Determination of Treasury Rate", depending upon whether the interest rate basis specified in the Underlying Records with respect to such Note is CD Rate, Commercial Paper Rate, Prime Rate, Federal Funds Effective Rate, SOFR or Treasury Rate (the "**Interest Rate Basis**"), plus or minus a number of basis points specified in the Underlying Records with respect to such Note (one basis point equals one-hundredth of a percentage point) (the "**Spread**"), if any, and/or multiplied by a certain percentage specified in the Underlying Records with respect to such Note (the "**Spread Multiplier**") until the principal thereof is paid or made available for payment; *provided* that the Issuer will make such payments in U.S. Dollars in amounts determined as set forth herein and in the Underlying Records. Such interest shall be payable by the Issuer monthly, quarterly or semi-annually as specified in the Underlying Records under "Interest Payment Period" and, unless otherwise specified in the Underlying Records under "Interest Payment Date(s)", such interest shall be payable by the Issuer on the third Wednesday of the month or months specified in the Underlying Records under "Interest Payment Month(s)" in each year (or if any such day is not a Business Day with respect to a Floating Rate Note in accordance with the business day convention specified in the Underlying Records) (each date so specified in the Underlying Records or, if none is so specified, determined as herein provided, an "**Interest Payment Date**") and at maturity, commencing on the first Interest Payment Date next succeeding the Original Issue Date, or, if the Interest Reset Period specified in the Underlying Records is weekly and the Original Issue Date is after a Regular Record Date (as defined herein) and on or prior to the next succeeding Interest Payment Date, on the second Interest Payment Date next succeeding the Original Issue Date. The interest so payable, and punctually paid or duly provided for, on any such Interest Payment Date will be paid to the person in whose name the Floating Rate Note is registered at the close of business on the fifteenth day (whether or not a Business Day) next preceding such Interest Payment Date or such other Regular Record Date specified in the Underlying Records (the "**Regular Record Date**"); *provided* that interest payable at maturity will be payable to the person to whom principal shall be payable; and *provided, further*, that if the Original Issue Date is after a Regular Record Date and before the next succeeding Interest Payment Date the first payment of interest shall be payable on the second Interest Payment Date following the Original Issue Date to the person in whose name the

Floating Rate Note is registered at the close of business on the Regular Record Date immediately preceding such second Interest Payment Date. The interest payable thereon on any Interest Payment Date will be the interest accrued from and including the Original Issue Date or from and including the most recent Interest Payment Date to which interest has been paid or duly provided for, as the case may be, to but excluding such Interest Payment Date; *provided* that if the Interest Reset Period specified in the Underlying Records is daily or weekly, the interest payable on any Interest Payment Date will be the interest accrued from and including the Original Issue Date or from and including the day following the most recent Regular Record Date in respect of which interest has been paid or duly provided for, as the case may be, to but excluding the day following the Regular Record Date immediately preceding such Interest Payment Date. Notwithstanding the foregoing, the interest payable at maturity will include interest accrued to but excluding the Maturity Date, to the extent not previously paid. Accrued interest thereon shall be calculated by multiplying the principal amount thereof by an accrued interest factor. Such accrued interest factor shall be computed by adding the interest factors calculated for each day in the period for which accrued interest is being calculated. The interest factor for each such day (expressed as a decimal rounded upwards, if necessary, as described below) shall be computed by dividing the interest rate (expressed as a decimal rounded upwards, if necessary, as described below) applicable to such day by (i) 360 if the Interest Rate Basis specified in the Underlying Records is the Commercial Paper Rate, Prime Rate, CD Rate, Federal Funds Effective Rate, or SOFR, (ii) the actual number of days in the year (365 or 366, as the case may be) if the Interest Rate Basis specified in the Underlying Records is the Treasury Rate, or (iii) notwithstanding the foregoing, the number of days in the computation period (the "**Computation Period**"), if any, specified in the Underlying Records. Except as otherwise provided herein, all percentages resulting from any calculation with respect to a Floating Rate Note will be rounded, if necessary, to the nearest one-hundred thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards (*e.g.*, 9.876545% (or .09876545) being rounded to 9.87655% (or .0987655) and 9.876544% (or .09876544) being rounded to 9.87654% (or .0987654)), and all U.S. Dollar amounts will be rounded to the nearest cent (with one-half cent being rounded upwards).

The interest rate on Floating Rate Notes will be reset daily, weekly, monthly, quarterly or semi-annually, as specified in the Underlying Records under Interest Reset Period (each date upon which interest is so reset as provided below being hereinafter referred to as an "**Interest Reset Date**"), and the interest rate in effect on any day shall be (a) if such day is an Interest Reset Date, the interest rate for such Interest Reset Date or (b) if such day is not an Interest Reset Date the interest rate for the immediately preceding Interest Reset Date; *provided* that the interest rate in effect for the ten calendar days immediately prior to maturity of a Floating Rate Note will be that in effect on the tenth calendar day preceding such maturity. Notwithstanding the foregoing, the interest rate thereon shall in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States Federal law of general application. Unless otherwise specified in the Underlying Records and except as provided in the next succeeding sentence, the Interest Reset Date with respect to a Floating Rate Note will be, if the Interest Reset Period specified in the Underlying Records is daily, each Business Day; if the Interest Reset Period specified in Underlying Records is weekly (unless the Interest Rate Basis specified is the Treasury Rate), the Wednesday of each week; if the Interest Reset Period specified in the Underlying Records is weekly and the Interest Rate Basis specified in the Underlying Records is the Treasury Rate, except as otherwise provided below, the Tuesday of each week; if the Interest Reset Period specified in the Underlying Records is monthly,

the third Wednesday of each month; if the Interest Reset Period specified in the Underlying Records is quarterly, the third Wednesday of each March, June, September and December; and if the Interest Reset Period specified in the Underlying Records is semi-annually, the third Wednesday of two months in each year specified under "Interest Reset Period" in the Underlying Records. If, pursuant to the preceding sentence, any Interest Reset Date for any Floating Rate Note would otherwise be a day that is not a Business Day, the particular Interest Reset Date will be subject to adjustment in accordance with the business day convention specified in the Underlying Records, which may be either the Floating Rate Convention, the Following Business Day Convention, the Modified Following Business Day Convention or the Preceding Business Day Convention as described below.

If the business day convention specified in the Underlying Records is (a) the "**Floating Rate Convention**", such Interest Payment Date (or other date) shall be postponed to the next succeeding day which is a Business Day unless it would thereby fall into the next succeeding calendar month, in which event (1) such Interest Payment Date (or other date) shall be brought forward to the next preceding Business Day and (2) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Underlying Records after the preceding applicable Interest Payment Date (or other date) occurred; or (b) the "**Following Business Day Convention**", such Interest Payment Date (or other date) shall be postponed to the next succeeding day which is a Business Day; or (c) the "**Modified Following Business Day Convention**", such Interest Payment Date (or other date) shall be postponed to the next succeeding day which is a Business Day unless it would thereby fall into the next succeeding calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the next preceding Business Day; or (d) the "**Preceding Business Day Convention**", such Interest Payment Date (or other date) shall be brought forward to the next preceding Business Day. If no business day convention is specified in the Underlying Records, the default business day convention will be the Following Business Day Convention or, if the Interest Rate Basis specified in the Underlying Records is SOFR, the Floating Rate Convention.

Subject to applicable provisions of law and except as specified herein, on each Interest Reset Date the rate of interest on Floating Rate Notes shall be the rate determined in accordance with the provisions of the applicable heading below (subject to any adjustment by a Spread or Spread Multiplier). The "**Index Maturity**" is the period to the next Interest Reset Date or maturity of the instrument or obligation from which the applicable Interest Rate Basis is calculated. All times referred to herein reflect New York City time, unless otherwise specified.

Determination of CD Rate. If the Interest Rate Basis specified in the Underlying Records is the CD Rate, CD Rate means, with respect to any interest determination date (an "**Interest Determination Date**") relating to a Floating Rate Note for which the interest rate is determined with reference to the CD Rate (a "**CD Rate Interest Determination Date**"), the rate on such date for negotiable U.S. Dollar certificates of deposit having the Index Maturity specified in the Underlying Records, as published in the source specified in the Underlying Records or, if not so published by 3:00 P.M., New York City time, on the related Calculation Date (as defined herein), the rate on such CD Rate Interest Determination Date for negotiable U.S. Dollar certificates of deposit of the Index Maturity specified in the Underlying Records, as published in the source specified in the Underlying Records, or such other recognized electronic source used for the purpose of displaying such rate, opposite the caption "CDs (secondary market)" or such other heading as is specified in the Underlying Records.

If such rate is not yet published in the source specified in the Underlying Records or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, then the CD Rate on such CD Rate Interest Determination Date will be calculated by the Calculation Agent (as defined herein) and will be the arithmetic mean of the secondary market offered rates as of 10:00 A.M., New York City time, on such CD Rate Interest Determination Date, of three leading nonbank dealers in negotiable U.S. Dollar certificates of deposit in New York City (which may include the Dealers or their affiliates) selected by the Calculation Agent for negotiable U.S. Dollar certificates of deposit of major United States money banks with a remaining maturity closest to the Index Maturity specified in the Underlying Records, in an amount that is representative for a single transaction in that market at that time; *provided, however,* that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the CD Rate determined as of such CD Rate Interest Determination Date will be the CD Rate in effect on such CD Rate Interest Determination Date.

Determination of Commercial Paper Rate. If the Interest Rate Basis specified in the Underlying Records is the Commercial Paper Rate, the Commercial Paper Rate means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the Commercial Paper Rate (a "**Commercial Paper Rate Interest Determination Date**"), the Money Market Yield (as defined herein) on such date of the rate for commercial paper having the Index Maturity specified in the Underlying Records, as published in H.15(519) (as defined herein) opposite the caption "Commercial Paper-Financial" or, if not so published by 3:00 P.M., New York City time, on the related Calculation Date, the Money Market Yield on such Commercial Paper Rate Interest Determination Date for commercial paper having the Index Maturity specified in the Underlying Records, as published in H.15 Daily Update (as defined herein), or such other recognized electronic source used for the purpose of displaying such rate, under the caption "Commercial Paper-Financial". If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on such Calculation Date, then the Commercial Paper Rate on such Commercial Paper Rate Interest Determination Date will be calculated by the Calculation Agent and will be the Money Market Yield of the arithmetic mean of the offered rates at approximately 11:00 A.M., New York City time, on such Commercial Paper Rate Interest Determination Date of three leading dealers of U.S. Dollar commercial paper in New York City (which may include the Dealers or their affiliates) selected by the Calculation Agent for commercial paper having the Index Maturity specified in the Underlying Records, placed for industrial issuers whose bond rating is "Aa", or the equivalent, from a nationally recognized statistical rating organization; *provided, however*, that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Commercial Paper Rate determined as of such Commercial Paper Rate Interest Determination Date will be the Commercial Paper Rate in effect on such Commercial Paper Rate Interest Determination Date.

"**H.15(519)**" means the weekly statistical release published by the Board of Governors of the Federal Reserve System and available on their website at https://www.federalreserve.gov/releases/h15/, or any successor site or publication.

"**H.15 Daily Update**" means the daily update of H.15(519), published by the Board of Governors of the Federal Reserve System and available on their website at https://www.federalreserve.gov/releases/h15/, or any successor site or publication.

"**Money Market Yield**" means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and "M" refers to the actual number of days in the applicable Interest Reset Period.

Determination of Prime Rate. If the Interest Rate Basis specified in the Underlying Records is the Prime Rate, "**Prime Rate**" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the Prime Rate (a "**Prime Rate Interest Determination Date**"), the rate on such date as such rate is published in H.15(519) opposite the caption "Bank prime loan" or, if not published prior to 3:00 P.M., New York City time, on the related Calculation Date, the rate on such Prime Rate Interest Determination Date as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, opposite the caption "Bank Prime Loan". If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, then the Prime Rate shall be the arithmetic mean, as determined by the Calculation Agent, of the rates of interest publicly announced by each bank that appears on Reuters 3000 Xtra Service or any successor service ("**Reuters**") on page USPRIME1 (or any other page as may replace such page on such service for the purpose of displaying prime rates or base lending rates of major United States banks ("**Reuters Page USPRIME1**")) as such bank's prime rate or base lending rate as of 11:00 A.M., New York City time, on such Prime Rate Interest Determination Date. If fewer than four such rates so appear on Reuters Page USPRIME1 for such Prime Rate Interest Determination Date by 3:00 P.M., New York City time on the related Calculation Date, then the Prime Rate shall be the arithmetic mean calculated by the Calculation Agent of the prime rates or base lending rates quoted on the basis of the actual number of days in the year divided by a 360 day year as of the close of business on such Prime Rate Interest Determination Date by three major banks (which may include the Dealers or their affiliates) in New York City selected by the Calculation Agent; *provided, however,* that if the banks so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Prime Rate determined as of such Prime Rate Interest Determination Date will be the Prime Rate in effect on such Prime Rate Interest Determination Date or, if no Prime Rate was in effect on such Prime Rate Interest Determination Date, the rate on such Floating Rate Note for the following Interest Reset Period shall be the initial interest rate.

Determination of Federal Funds Rate. If the Interest Rate Basis specified in the Underlying Records is the Federal Funds Rate, "**Federal Funds Rate**" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the Federal Funds Rate (a "**Federal Funds Rate Interest Determination Date**"),

(i) if "Federal Funds (Effective) Rate" is the specified Federal Funds Rate in the Underlying Records, the Federal Funds Rate as of the Federal Funds Rate Interest Determination Date shall be the rate with respect to such date for U.S. Dollar federal funds as published in H.15(519) opposite the heading "Federal funds (effective)" and that appears on Reuters on page FEDFUNDS1 (or any other page as may replace such page on such service) ("**Reuters Page**

FEDFUNDS1") under the heading "EFFECT" or, if such rate is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate with respect to such Federal Funds Rate Interest Determination Date for U.S. Dollar federal funds as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, opposite the caption "Federal funds (effective)". If such rate does not appear on Reuters Page FEDFUNDS 1 or is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, then the Federal Funds Rate with respect to such Federal Funds Rate Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight U.S. Dollar federal funds arranged by three leading brokers of U.S. Dollar federal funds transactions in New York City (which may include the Dealers or their affiliates) selected by the Calculation Agent prior to 9:00 A.M., New York City time, on the Business Day following such Federal Funds Rate Interest Determination Date; *provided, however,* that if the brokers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Federal Funds Rate Interest Determination Date will be the Federal Funds Rate in effect on such Federal Funds Rate Interest Determination Date.

(ii) if "Federal Funds Open Rate" is the specified Federal Funds Rate in the Underlying Records, the Federal Funds Rate as of the applicable Federal Funds Rate Interest Determination Date shall be the rate on such date under the heading "Federal Funds" for the relevant Index Maturity and opposite the caption "Open" as such rate is displayed on Reuters on page 5 (or any other page as may replace such page on such service) ("**Reuters Page 5**"), or, if such rate does not appear on Reuters Page 5 by 3:00 P.M., New York City time, on the Calculation Date, the Federal Funds Rate for the Federal Funds Rate Interest Determination Date will be the rate for that day displayed on the FFPREBON Index page on Bloomberg L.P. ("**Bloomberg**"), which is the Fed Funds Opening Rate as reported by Prebon Yamane (or a successor) on Bloomberg. If such rate does not appear on Reuters Page 5 or is not displayed on the FFPREBON Index page on Bloomberg or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, then the Federal Funds Rate on such Federal Funds Rate Interest Determination Date shall be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight U.S. Dollar federal funds arranged by three leading brokers of U.S. Dollar federal funds transactions in New York City (which may include the Dealers or their affiliates) selected by the Calculation Agent prior to 9:00 A.M., New York City time, on such Federal Funds Rate Interest Determination Date; *provided, however,* that if the brokers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Federal Funds Rate Interest Determination Date will be the Federal Funds Rate in effect on such Federal Funds Rate Interest Determination Date.

(iii) if "Federal Funds Target Rate" is the specified Federal Funds Rate in the Underlying Records, the Federal Funds Rate as of the applicable Federal Funds Rate Interest Determination Date shall be the rate on such date as displayed on the FDTR Index page on Bloomberg. If such rate does not appear on the FDTR Index page on Bloomberg by 3:00 P.M., New York City time, on the Calculation Date, the Federal Funds Rate for such Federal Funds Rate Interest Determination Date will be the rate for that day appearing on Reuters on page USFFTARGET= (or any other page as may replace such page on such service) ("**Reuters Page USFFTARGET=**"). If such rate does not appear on the FDTR Index page on Bloomberg or is not displayed on Reuters Page USFFTARGET=

by 3:00 P.M., New York City time, on the related Calculation Date, then the Federal Funds Rate on such Federal Funds Rate Interest Determination Date shall be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight U.S. Dollar federal funds arranged by three leading brokers of U.S. Dollar federal funds transactions in New York City (which may include the Dealers or their affiliates) selected by the Calculation Agent prior to 9:00 A.M., New York City time, on such Federal Funds Rate Interest Determination Date; *provided, however*, that if the brokers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Federal Funds Rate Interest Determination Date will be the Federal Funds Rate in effect on such Federal Funds Rate Interest Determination Date.

Determination of SOFR. If the Interest Rate Basis specified in the Final Terms is SOFR Arithmetic Mean or SOFR Compound, the interest rate with respect to a Floating Rate Note shall be determined by the Calculation Agent in accordance with the following provisions:

(i) When the Interest Rate Basis is specified in the Final Terms as being "SOFR Arithmetic Mean", the interest rate with respect with respect to a Floating Rate Note will be the SOFR Arithmetic Mean plus or minus (as indicated in the relevant Underlying Records), all as determined by the Calculation Agent as at the relevant SOFR Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards.

(ii) Where the Calculation Method is specified in the relevant Final Terms as being "SOFR Compound", the interest rate for each Interest Period will be the Compounded Daily SOFR on the relevant SOFR Interest Determination plus or minus (as indicated in the relevant Final Terms), all as determined by the Calculation Agent with the resulting percentage being rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.

(iii) The following definitions shall apply for the purposes of the determination of SOFR:

"**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated "SOFRRATE" or any successor page or service;

"**Compounded Daily SOFR**" means with respect to an Interest Period, an amount equal to the rate of return for each calendar day during the Interest Period, compounded daily, calculated by the Calculation Agent on the SOFR Interest Determination Date, as follows:

(a) if "SOFR Compound with Lookback" is specified in the relevant Final Terms:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{\mathrm{SOFR}_{i-\mathrm{pUSBD}}\times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

Where:

"**d**" means, in respect of an Interest Period, the number of calendar days in such Interest Period;

"**d_0**" means, in respect of an Interest Period, the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers from one to d_0, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

"**Lookback Period**" or "**p**" means five U.S. Government Securities Business Days or such larger number of days as specified in the relevant Final Terms;

"**n_i**" means, in respect of a U.S. Government Securities Business Day_i, the number of calendar days from, and including, such U.S. Government Securities Business Day_i up to, but excluding, the following U.S. Government Securities Business Day;

"**$SOFR_i$**" means, in respect of each U.S. Government Securities Business Day_i, the SOFR in respect of such U.S. Government Securities Business Day; and

"**$SOFR_{i-pUSBD}$**" means, in respect of a U.S. Government Securities Business Day_i, $SOFR_i$ in respect of the U.S. Government Securities Business Day falling the number of U.S. Government Securities Business Days equal to the Lookback Period prior to such U.S. Government Securities Business Day_i ("**pUSBD**"), provided that, unless SOFR Cut-Off Date is specified as not applicable in the relevant Final Terms, $SOFR_i$ in respect of each U.S. Government Securities Business Day_i in the period from, and including, the SOFR Cut-Off Date to, but excluding, the next occurring Interest Period End Date, will be $SOFR_i$ in respect of the SOFR Cut-Off Date for such Interest Period.

(b) if "SOFR Compound with Observation Period Shift" is specified in the relevant Final Terms:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

Where:

"**d**" means, in respect of an Observation Period, the number of calendar days in such Observation Period;

"**d_0**" means, in respect of an Observation Period, the number of U.S. Government Securities Business Days in the relevant Observation Period;

"**i**" means a series of whole numbers from one to d_0, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

"n_i" means, in respect of a U.S. Government Securities Business Day_i, the number of calendar days from, and including, such U.S. Government Securities Business Day_i up to, but excluding, the following U.S. Government Securities Business Day;

"**Observation Period**" means, in respect of an Interest Period, the period from, and including, the date falling the number of Observation Shift Days prior to the first day of such Interest Period and ending on, but excluding, the date that is the number of Observation Shift Days prior to the next occurring Interest Period End Date for such Interest Period;

"**Observation Shift Days**" means five U.S. Government Securities Business Days or such larger number of days as specified in the relevant Final Terms; and

"$\mathbf{SOFR_i}$" means, in respect of each U.S. Government Securities Business Day_i, the SOFR in respect of such U.S. Government Securities Business Day.

(c) if "SOFR Compound with Payment Delay" is specified in the relevant Final Terms:

$$\left[\left(\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}\right]$$

Where:

"**d**" means, in respect of an Interest Period, the number of calendar days in such Interest Period;

"$\mathbf{d_0}$" means, in respect of an Interest Period, the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers from one to d_0, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

"**Interest Period End Dates**" shall have the meaning specified in the relevant Final Terms;

"**Interest Payment Dates**" shall be the dates occurring the number of Business Days equal to the Interest Payment Delay following each Interest Period End Date; provided that the Interest Payment Date with respect to the final Interest Period will be the Maturity Date or, if the Notes are to be redeemed prior to the Maturity Date, such earlier date on which the Notes become due and payable;

"**Interest Payment Delay**" means the number of U.S. Government Securities Business Days specified in the relevant Final Terms;

"**SOFR Interest Determination Date**" shall be the Interest Period End Date at the end of each Interest Period; provided that the SOFR Interest Determination Date with respect to the final Interest Period will be the SOFR Cut-Off Date;

"$\mathbf{n_i}$" means, in respect of a U.S. Government Securities Business Day_i the number of calendar days from, and including, such U.S. Government Securities Business Day_i up to, but excluding, the following U.S. Government Securities Business Day_i;

"$\mathbf{SOFR_i}$" means, for any U.S. Government Securities Business Day_i in the relevant Interest Period, the SOFR in respect of such U.S. Government Securities Business Day_i; and

For purposes of calculating SOFR Compound with Payment Delay with respect to the final Interest Period, the level of SOFR for each U.S. Government Securities Business Day in the period from and including the SOFR Cut-Off Date to but excluding the Maturity Date or any earlier date on which the Notes become due and payable, as applicable, shall be the level of SOFR in respect of such SOFR Cut-Off Date.

(d) if "SOFR Index with Observation Shift" is specified in the relevant Final Terms:

$$\left(\frac{\text{SOFR Index}_{\text{Final}}}{\text{SOFR Index}_{\text{Initial}}} - 1\right) \times \frac{360}{d_c}$$

Where:

"$\mathbf{d_c}$" means, in respect of each Interest Period, the number of calendar days in the relevant Interest Period;

"**Interest Period End Dates**" shall have the meaning specified in the relevant Final Terms;

"**Observation Shift Days**" means five U.S. Government Securities Business Days or such larger number of days as specified in the relevant Final Terms;

"**SOFR Index**" means with respect to any U.S. Government Securities Business Day, (i) the SOFR Index value as published by the NY Federal Reserve as such index appears on the NY Federal Reserve's Website at the SOFR Determination Time; or (ii) if the SOFR Index specified in (i) above does not so appear, unless both a SOFR Transition Event and its related SOFR Replacement Date have occurred, the SOFR Index as published in respect of the first preceding U.S. Government Securities Business Day for

which the SOFR Index was published on the NY Federal Reserve's Website;

"**SOFR Index$_{Final}$**" means, in respect of an Interest Period, the value of the SOFR Index on the date falling the number of U.S. Government Securities Business Days equal to the Observation Shift Days prior to the next occurring Interest Period End Date for such Interest Period;

"**SOFR Index$_{Initial}$**" means, in respect of an Interest Period, the value of the SOFR Index on the date falling the number of U.S. Government Securities Business Days equal to the Observation Shift Days prior to the first day of such Interest Period (or, in the case of the first Interest Period, the Interest Commencement Date);

"**NY Federal Reserve**" means the Federal Reserve Bank of New York;

"**NY Federal Reserve's Website**" means the website of the NY Federal Reserve, currently at www.newyorkfed.org, or any successor website of the NY Federal Reserve or the website of any successor administrator of SOFR;

"**Reuters Page USDSOFR=**" means the Reuters page designated "USDSOFR=" or any successor page or service;

"**SOFR**" means the rate determined by the Calculation Agent in respect of a U.S. Government Securities Business Day, in accordance with the following provisions:

(i) the Secured Overnight Financing Rate in respect of such U.S. Government Securities Business Day that appears at approximately 3:00 p.m. (New York City time) (the "**SOFR Determination Time**") on the NY Federal Reserve's Website on such U.S. Government Securities Business Day, as such rate is reported on the Bloomberg Screen SOFRRATE Page for such U.S. Government Securities Business Day or, if no such rate is reported on the Bloomberg Screen SOFRRATE Page, then the Secured Overnight Financing Rate that is reported on the Reuters Page USDSOFR= or, if no such rate is reported on the Reuters Page USDSOFR=, then the Secured Overnight Financing Rate that appears at approximately 3:00 p.m. (New York City time) on the NY Federal Reserve's Website on such U.S. Government Securities Business Day (the "**SOFR Screen Page**"); or

(ii) if the rate specified in (a) above does not so appear and the Calculation Agent determines that a SOFR Transition Event has not occurred, the Secured Overnight Financing Rate published on the NY Federal Reserve's Website for the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the NY Federal Reserve's Website;

"**SOFR Arithmetic Mean**" means, with respect to an Interest Period, the arithmetic mean of SOFR for each calendar day during such Interest Period, as calculated by the Calculation Agent, provided that, SOFR in respect of each calendar day during the period from, and including, the SOFR Cut-Off Date to, but excluding, the next occurring Interest Period End Date will be SOFR on the SOFR Cut-Off Date. For these purposes, SOFR in respect of any calendar day which is not a U.S. Government Securities Business Day shall, subject to the preceding proviso, be deemed to be SOFR in respect of the U.S. Government Securities Business Day immediately preceding such calendar day;

"**SOFR Cut-Off Date**" means, unless specified as not applicable in the relevant Final Terms, in respect of an Interest Period, the fourth U.S. Government Securities Business Day prior to the next occurring Interest Period End Date for such Interest Period (or such other number of U.S. Government Securities Business Days specified in the relevant Final Terms); and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Notwithstanding paragraphs (i) to (ii) above, if the Calculation Agent determines on or prior to the SOFR Determination Time, that a SOFR Transition Event and its related SOFR Replacement Date have occurred with respect to the relevant SOFR Benchmark (as defined below), then the provisions set forth in paragraph (iii) (*SOFR Replacement Provisions*) below will apply to all determinations of the Rate of Interest for each Interest Period thereafter.

(iii) SOFR Replacement Provisions

If the Calculation Agent, failing which the Issuer, determines at any time prior to the SOFR Determination Time on any U.S. Government Securities Business Day that a SOFR Transition Event and the related SOFR Replacement Date have occurred, the Calculation Agent will appoint an agent (the "**Replacement Rate Determination Agent**") which will determine the SOFR Replacement. The Replacement Rate Determination Agent may be (x) a leading bank, broker-dealer or benchmark agent in the principal financial center as appointed by the Calculation Agent, (y) the Issuer, (z) an affiliate of the Issuer or the Calculation Agent or (zz) such other entity that the Calculation Agent determines to be competent to carry out such role.

In connection with the determination of the SOFR Replacement, the Replacement Rate Determination Agent will determine appropriate SOFR Replacement Conforming Changes.

Any determination, decision or election that may be made by the Calculation Agent or Replacement Rate Determination Agent (as the case may be) pursuant to these provisions, will (in the absence of manifest error) be conclusive and binding on the Issuer, the Calculation Agent, the Issue and Paying Agent and the Holders.

Following the designation of a SOFR Replacement, the Calculation Agent may subsequently determine that a SOFR Transition Event and a related SOFR Replacement Date have occurred in respect of such SOFR Replacement, provided that the SOFR Benchmark has already been substituted by the SOFR Replacement and any SOFR Replacement Conforming Changes in connection with such substitution have been applied. In such circumstances, the SOFR Replacement shall be deemed to be the SOFR Benchmark and all relevant definitions shall be construed accordingly.

In connection with the SOFR Replacement provisions above, the following definitions shall apply:

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to SOFR for the applicable tenor;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of a SOFR Transition Event with respect to SOFR for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Relevant Governmental Body**" means the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or any successor thereto;

"**SOFR Benchmark**" means (a) (unless "SOFR Index with Observation Shift" is specified in the relevant Final Terms) SOFR or (b) SOFR Index (each as defined in paragraph (iii) above);

"**SOFR Replacement**" means any one (or more) of the SOFR Replacement Alternatives to be determined by the Replacement Rate Determination Agent as of the SOFR Replacement Date if the Issuer, determines that a SOFR Transition Event and its related SOFR Replacement Date have occurred on or prior to the SOFR Determination Time in respect of any determination of the SOFR Benchmark on any U.S. Government Securities Business Day in accordance with:

(a) the order of priority specified SOFR Replacement Alternatives Priority in the relevant Final Terms; or

(a) if no such order of priority is specified, in accordance with the priority set forth below:

  (i) Relevant Governmental Body Replacement;

  (ii) ISDA Fallback Replacement; and

  (iii) Industry Replacement,

provided that, in each case, if the Replacement Rate Determination Agent is unable to determine the SOFR Replacement in accordance with the first SOFR Replacement Alternative listed, it shall attempt to determine the SOFR Replacement in accordance with each subsequent SOFR Replacement Alternative until a SOFR Replacement is determined. The SOFR Replacement will replace the then-current SOFR Benchmark for the purpose of determining the relevant Rate of Interest in respect of the relevant Interest Period and each subsequent Interest Period, subject to the occurrence of a subsequent SOFR Transition Event and related SOFR Replacement Date;

"**SOFR Replacement Alternatives**" means:

(a) the sum of: (i) the alternative rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current SOFR Benchmark for the relevant Interest Period and (ii) the SOFR Replacement Adjustment (the "**Relevant Governmental Body Replacement**");

(b) the sum of: (i) the ISDA Fallback Rate and (ii) the SOFR Replacement Adjustment (the "**ISDA Fallback Replacement**"); or

(c) the sum of: (i) the alternative rate that has been selected by the Replacement Rate Determination Agent as the replacement for the then-current SOFR Benchmark for the relevant Interest Period giving due consideration to any industry-accepted rate as a replacement for the then-current SOFR Benchmark for U.S. dollar-

denominated floating rate securities at such time and (ii) the SOFR Replacement Adjustment (the "**Industry Replacement**");

"**SOFR Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Replacement Rate Determination Agent as of the applicable SOFR Replacement Date:

(a) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted SOFR Replacement;

(b) if the applicable Unadjusted SOFR Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(c) the spread adjustment (which may be a positive or negative value or zero) determined by the Replacement Rate Determination Agent giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current SOFR Benchmark with the applicable Unadjusted SOFR Replacement for U.S. dollar-denominated floating rate securities at such time;

"**SOFR Replacement Conforming Changes**" means, with respect to any SOFR Replacement, any technical, administrative or operational changes (including, but not limited to, changes to timing and frequency of determining rates with respect to each interest period and making payments of interest, rounding of amounts or tenors, day count fractions, business day convention and other administrative matters) that the Replacement Rate Determination Agent decides may be appropriate to reflect the adoption of such SOFR Replacement in a manner substantially consistent with market practice (or, if the Replacement Rate Determination Agent determines that adoption of any portion of such market practice is not administratively feasible or if the Replacement Rate Determination Agent determines that no market practice for use of the SOFR Replacement exists, in such other manner as the Replacement Rate Determination Agent or the Calculation Agent, as the case may be, determines is reasonably necessary, acting in good faith and in a commercially reasonable manner);

"**SOFR Replacement Date**" means the earliest to occur of the following events with respect to the then-current SOFR Benchmark (including the daily published component used in the calculation thereof):

(a) in the case of sub-paragraphs (a) or (b) of the definition of "SOFR Transition Event" the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the SOFR Benchmark permanently or

indefinitely ceases to provide the SOFR Benchmark (or such component); or

(b) in the case of sub-paragraph (c) of the definition of "SOFR Transition Event" the date of the public statement or publication of information referenced therein; or

(c) in the case of sub-paragraph (d), the last such consecutive U.S. Government Securities Business Day on which the SOFR Benchmark has not been published,

provided that, in the event of any public statements or publications of information as referenced in sub-paragraphs (a) or (b) above, should such event or circumstance referred to in such a public statement or publication occur on a date falling later than three months after the relevant public statement or publication, the SOFR Transition Event shall be deemed to occur on the date falling three months prior to such specified date (and not the date of the relevant public statement or publication).

For the avoidance of doubt, if the event giving rise to the SOFR Replacement Date occurs on the same day as, but earlier than, the SOFR Determination Time in respect of any determination, the SOFR Replacement Date will be deemed to have occurred prior to the SOFR Determination Time for such determination.

"**SOFR Transition Event**" means the occurrence of any one or more of the following events with respect to the then-current SOFR Benchmark (including the daily published component used in the calculation thereof):

(a) a public statement or publication of information by or on behalf of the administrator of the SOFR Benchmark (or such component, if relevant) announcing that such administrator has ceased or will cease to provide the SOFR Benchmark (or such component, if relevant), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark (or such component, if relevant);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component, if relevant), the central bank for the currency of the SOFR Benchmark (or such component, if relevant), an insolvency official with jurisdiction over the administrator for the SOFR Benchmark (or such component, if relevant), a resolution authority with jurisdiction over the administrator for SOFR Benchmark (or such component, if relevant) or a court or an entity with similar insolvency or resolution authority over the administrator for the SOFR Benchmark (or such component, if relevant), which states

that the administrator of the SOFR Benchmark (or such component, if relevant) has ceased or will cease to provide the SOFR Benchmark (or such component, if relevant) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark (or such component, if relevant);

(c) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark (or such component, if relevant) announcing that the SOFR Benchmark (or such component, if relevant) is no longer representative, the SOFR Benchmark (or such component, if relevant) has been or will be prohibited from being used or that its use has been or will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or

(d) the SOFR Benchmark is not published by its administrator (or a successor administrator) for six consecutive U.S. Government Securities Business Days; and

"**Unadjusted SOFR Replacement**" means the SOFR Replacement prior to the application of any SOFR Replacement Adjustment.

(a) the Calculation Agent specified in the Final Terms will, as soon as practicable after 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date; 11.00 a.m. (Brussels time) at the Relevant Time specified in the relevant Final Terms on each SOFR Interest Determination Date or in the case of ISDA Determination, at the time and on the Reset Date specified in the relevant Final Terms, determine the Rate of Interest and calculate the amount of interest payable (the "**Amount of Interest**") for the relevant Interest Period. "**Rate of Interest**" means (A) if the Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph (b); (B) in the case of a Note which specifies ISDA Determination in the Final Terms, the rate which is determined in accordance with the provisions of paragraph (c). The Amount of Interest shall be calculated by applying the Rate of Interest to the Nominal Amount of one Note of each Denomination, multiplying such product by the business day convention specified in the Final Terms or, if none is specified, by the actual number of days in the Interest Period concerned divided by 360. The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties;

(b) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall be conclusive and binding as between the Issuer and the bearer hereof;

(c) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an "**Interest Period**" for the purposes of this paragraph; and

(d) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the clearing system(s) and/or depositaries in which this Note is held at the relevant time.

(e) If a Benchmark Event occurs in relation to an Original Reference Rate (other than SOFR) when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate (subject to the terms of this paragraph (e)), failing which an Alternative Rate (in accordance with paragraph (e), and, in either case, an Adjustment Spread if any (in accordance with paragraph (e) and any Benchmark Amendments (in accordance with paragraph (e)).

An Independent Adviser appointed pursuant to this paragraph (e) shall act in good faith and in a commercially reasonable manner. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agent, or the Holders for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this paragraph (e).

If (a) the Issuer is unable to appoint an Independent Adviser; or (b) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this paragraph (e) prior to the relevant EURIBOR Interest Determination Date, the Rate of Interest applicable to the next succeeding Reset Period or Interest Period, as applicable, shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period, respectively. For the avoidance of doubt, this paragraph (e) shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this paragraph (e).

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

(i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in paragraph (e)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof), as applicable, for all future payments of interest on the Notes (subject to the operation of this paragraph (e)); or

(ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in paragraph (e)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof), as applicable, for all future payments of interest on the Notes (subject to the operation of this paragraph (e)).

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread), if any, shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Issuer, following consultation with the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or the Alternative Rate (as applicable) will apply without an Adjustment Spread.

If any Successor Rate, Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this paragraph (e) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these terms and conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with paragraph (e), without any requirement for the consent or approval of Holders, vary these terms and conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provision of this paragraph (e), the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this paragraph (j) to which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional

duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these terms and conditions.

In connection with any such variation in accordance with this paragraph (e), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this paragraph (e) will be notified promptly by the Issuer to the Calculation Agent, the Paying Agents and the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Holders of the same, the Issuer shall deliver to the Issue and Paying Agent, the Calculation Agent and the Paying Agents a certificate signed by two authorised signatories of the Issuer:

(i) confirming (a) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this paragraph (e); and

(ii) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Issue and Paying Agent shall display such certificate at its offices, for inspection by the Holders at all reasonable times during normal business hours.

Each of the Issue and Paying Agent, the Calculation Agent and the Paying Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Issue and Paying Agent's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Issue and Paying Agent, the Calculation Agent, the Paying Agent and the Holders.

Notwithstanding any other provision of this paragraph (e), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread

or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this paragraph (e), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, willful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, willful default or fraud) shall not incur any liability for not doing so.

Without prejudice to the obligations of the Issuer under the foregoing paragraphs, the Original Reference Rate and the fallback provisions provided for herein will continue to apply unless and until a Benchmark Event has occurred. Upon the occurrence of a Benchmark Event, this paragraph (e) shall prevail.

As used in this paragraph (e):

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)

(ii) the Issuer, following consultation with the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Issuer determines that no such spread is customarily applied)

(iii) the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);

(or if the Issuer determines that no such industry standard is recognised or acknowledged)

(iv) if no such spread, formula or methodology can be determined in accordance with (i) to (iii) above, the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances and solely for the purposes of this subclause (iv) only, of reducing or eliminating any economic prejudice or benefit (as the case may be) to the Holders.

"**Alternative Rate**" means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines in accordance with paragraph (e) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof).

"**Benchmark Event**" means:

(i) the Original Reference Rate ceasing to exist or ceasing to be published for a period of at least 5 Business Days in relation to a Rate of Interest of Floating Rate Notes; or

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or

(iv) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or

(v) it has become unlawful for the Issue and Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any holder using the Original Reference Rate;

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Issue and Paying Agent, the Calculation Agent and the Paying Agents. For the avoidance of doubt, neither the Issue and Paying Agent, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer.

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof), as applicable, on the Notes.

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

Determination of Treasury Rate. If the Interest Rate Basis specified in the Underlying Records is the Treasury Rate, "**Treasury Rate**" means, with respect to any Interest Determination Date relating to Floating Rate Notes for which the interest rate is determined by reference to the Treasury Rate (a "**Treasury Rate Interest Determination Date**"), the rate from the auction held on such Treasury Rate Interest Determination Date (the "**Auction**") of direct obligations of the United States ("**Treasury Bills**") having the Index Maturity specified in the Underlying Records, under the caption "INVEST RATE" on the display on Reuters on page USAUCTION 10 (or any other page as may replace such page on such service) ("**Reuters Page USAUCTION 10**") or page USAUCTION 11 (or any other page as may replace such page on such service) ("**Reuters Page USAUCTION 11**") or, if not so published by 3:00 P.M., New York City time, on the related Calculation Date, the Bond Equivalent Yield (as defined herein) of the auction rate of such Treasury Bills as announced by the U.S. Department of the Treasury. In the event that the auction rate of Treasury Bills having the Index Maturity specified in the Underlying Records, is not so announced by the U.S. Department of the Treasury, or if no such Auction is held, then the Treasury Rate will be the Bond Equivalent Yield of the rate on such Treasury Rate Interest Determination Date of Treasury Bills having the Index Maturity specified in the Underlying Records, as published in H.15(519) opposite the caption "U.S. Government Securities/Treasury bills/Secondary Market" or, if not yet published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on such Treasury Rate Interest Determination Date of such Treasury Bills as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "U.S. government Notes/Treasury bills (secondary market)". If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, then the Treasury Rate will be calculated by the Calculation Agent and will be the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time, on such Treasury Rate Interest Determination Date, of three leading primary U.S. government Notes dealers (which may include the Dealers or their affiliates) selected by the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified in the Underlying Records; *provided, however,* that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Treasury Rate determined as of such Treasury Rate Interest Determination Date will be the Treasury Rate in effect on such Treasury Rate Interest Determination Date.

"**Bond Equivalent Yield**" means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Bond Equivalent Yield} = \frac{\text{D} \times \text{N}}{360 - (\text{D} \times \text{M})} \times 100$$

where "D" refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis, "N" refers to 365 or 366, as the case may be, and "M" refers to the actual number of days in the applicable Interest Reset Period.

Unless otherwise specified in the Underlying Records, the interest rate applicable to an Interest Reset Period commencing on the related Interest Reset Date will be determined by reference to the applicable Interest Rate Basis as of the particular "**Interest Determination Date**", which, unless otherwise specified in the Underlying Records, as the case may be, (i) with respect to the Federal Funds Rate, will be the applicable Interest Reset Date; (ii) with respect to the Prime Rate, will be the Business Day immediately preceding the applicable Interest Reset Date; (iii) with respect to the Commercial Paper Rate and CD Rate, will be the second Business Day immediately preceding the applicable Interest Reset Date; (iv) with respect to SOFR will be the first or the second U.S. Government Securities Business Day prior to each Interest Reset Date and (v) with respect to the Treasury Rate, will be the day in the week in which the related Interest Reset Date falls on the day on which Treasury bills are normally auctioned (i.e., Treasury bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the immediately following Tuesday, although such auction may be held on the preceding Friday) or, if no auction is held for a particular week, the first Business Day of that week; *provided, however,* that if an auction is held on the Friday of the week preceding the related Interest Reset Date, the Interest Determination Date will be such preceding Friday, *provided, further*, that if the Interest Determination Date would otherwise fall on an Interest Reset Date, then such Interest Reset Date will be postponed to the next succeeding Business Day.

The Interest Determination Date pertaining to Floating Rate Notes the interest rate of which is determined with reference to two or more Interest Rate Bases will be the latest Business Day which is at least two Business Days before the related Interest Reset Date for such Floating Rate Note on which each Interest Reset Basis is determinable. Each Interest Rate Basis will be determined as of such date, and the applicable interest rate will take effect on the applicable Interest Reset Date.

Unless otherwise specified in the Underlying Records hereof, the "**Calculation Date**", if applicable, pertaining to any Interest Determination Date will be the earlier of (i) the tenth calendar day after such Interest Determination Date or, if such day is not a Business Day, the next succeeding Business Day or (ii) the Business Day immediately preceding the applicable Interest Payment Date or the Maturity Date, as the case may be. The determination of any interest rate by the Calculation Agent will be final and binding absent manifest error. The Calculation Agent shall calculate the interest rate hereon in accordance with the foregoing on or before each Calculation Date. At the request of the Noteholder hereof, the Calculation Agent will provide to the Noteholder hereof the interest rate hereon then in effect and, if determined, the interest rate which will become effective as of the next Interest Reset Date. Unless otherwise specified in the Underlying Records, the Issuer shall be the calculation agent (the "**Calculation Agent**").

2) Relevant Interest Rate Terms for Floating Rate Notes

The following is a list of certain terms for Floating Rate Notes that shall be specified in the Underlying Records with respect to any Note. Terms may be specified to be inapplicable.

PRINCIPAL AMOUNT: ______________________________

ORIGINAL ISSUE DATE: ______________________________

MATURITY DATE: ____________________

COMPUTATION PERIOD: ____________________

INTEREST RATE BASIS: ____________________

SOURCE: ____________________

INDEX MATURITY: ____________________

INTEREST RESET DATE(S) (if different from those set forth in this Schedule D): ____________________

INTEREST DETERMINATION DATE(S) (if different from those set forth in this Schedule D): ____________________

SPREAD (PLUS OR MINUS) (if any): ____________________

SPREAD MULTIPLIER (if any): ____________________

INTEREST PAYMENT PERIOD: ____________________

INTEREST PAYMENT MONTH(S) (if any): ____________________

INTEREST PAYMENT DATE(S) (if any and if different from those determined pursuant to this Schedule D): ____________________

INTEREST RESET PERIOD: ____________________

CALCULATION AGENT (if not the Issuer): ____________________

CALCULATION DATE (if different from those determined pursuant to this Schedule D): ____________________

REGULAR RECORD DATE (if different from that determined pursuant to Schedule D hereto): ____________________

BUSINESS DAY CONVENTION: ______________________________

CUSIP NUMBER: ______________________________

FORMS OF LISTING TERM SHEET

The documents below are the forms of the Listing Term Sheet for purposes of summarizing the terms and conditions, including the Final Terms, in respect of each issue of Notes issued under the Program and which will be completed by Banco Santander with respect to each such issue and submitted to Euronext Dublin for the purpose of listing.

FORM I – BANCO SANTANDER NOTES

MIFID II product governance / Professional investors and Eligible Counterparties only target market – Solely for the purposes of Banco Santander, S.A.'s product approval process in respect of a particular Note issue, the target market assessment in respect of any of the Notes to be issued off this program has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration Banco Santander, S.A.'s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining Banco Santander, S.A.'s target market assessment) and determining appropriate distribution channels.

U.S.$25,000,000,000

U.S. Commercial Paper Program (the "Program")

issued by

BANCO SANTANDER, S.A.

Issue of [*Aggregate Principal Amount of Notes*] [*Title of Notes*]

PART A – CONTRACTUAL TERMS

This document constitutes the Listing Term Sheet in relation to the Notes referred to above (the "**Notes**"), including summarizing the Final Terms required to list and have admitted to trading the issue of the Notes described herein, pursuant to the U.S.$25,000,000,000 U.S. Commercial Paper Program of Banco Santander, S.A. ("**Banco Santander**") under which Banco Santander may issue and have outstanding at any time Notes up to a maximum aggregate amount of U.S.$25,000,000,000.

The Notes described herein have been issued by Banco Santander (the "**Issuer**"). The Final Terms in relation to the issue of the Notes are set out in the records of the Issuer (the "**Underlying Records**") as maintained by The Bank of New York Mellon, London Branch as issuing and paying agent (the "**Issuing and Paying Agent**"). Terms defined in the Listing Prospectus dated 17 November 2022 (as amended, updated or supplemented from time to time, the "**Listing Prospectus**"), unless indicated to the contrary, have the same meanings where used in this Term Sheet. Reference is made to the Listing Prospectus for a description of the Issuer, the Program and certain other matters.

For full information on the Issuer and the offer of the Notes described herein, this Listing Term Sheet must be read in conjunction with the Final Terms set out in the Underlying Records and the Listing Prospectus, including as supplemented. The Listing Prospectus, and any supplemental Listing Prospectus, are available for viewing during normal business hours at the registered office of the Issuer at Ciudad Grupo Santander, Avenida Cantabria s/n, 28660 Boadilla del Monte, Madrid, Spain and at the offices of the Issuing and Paying Agent at One Canada Square, London E14 5AL, United Kingdom. Copies of the Final Terms are available from the specified office of

the Issuing and Paying Agent set out above and through the electronic Note information systems operated by the Issuing and Paying Agent.

The particulars to be specified in relation to the issue of the Notes are as follows:

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.*]

1.	Issuer:	Banco Santander, S.A.
2.	Type of Note:	Commercial Paper
3.	Dealer(s)	[ ]
4.	Aggregate Principal Amount:	U.S.$[ ]
5.	Issue Date:	[ ]
6.	Maturity Date:	[ ] [May not be less than 1 day nor more than 364 days]
7.	Issue Price (for interest bearing Notes) or discount rate (for discount Notes):	U.S.$[ ]
8.	Denomination:	U.S.$200,000.
9.	Event of Default Redemption Amount:	Not applicable to discount notes. For interest bearing notes, at par plus accrued and unpaid interest.
10.	Delivery:	Against payment.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

11.	Fixed Rate Note Provisions	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Rate[(s)] of Interest:	[ ] [percent, per annum]
(ii)	Interest Payment Date(s):	[ ] [*Not applicable if all interest is paid on the Maturity Date*]
(iii)	Computation Period (if other than 360-day year of twelve 30-day months):	[Not Applicable/*give details*]

12.	Floating Rate Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Interest Rate Basis and Index Maturity:	[ ] months [SOFR ARITHMETIC MEAN/ SOFR COMPOUND: SOFR COMPOUND WITH LOOKBACK/ SOFR COMPOUND WITH OBSERVATION PERIOD SHIFT/ SOFR COMPOUND WITH PAYMENT DELAY/ SOFR COMPOUND WITH OBSERVATION SHIFT /CD/COMMERCIAL PAPER/FEDERAL FUNDS/PRIME/TREASURY]
	(ii)	Interest Reset Date(s):	[ ]
	(iii)	Interest Determination Date(s)	[ ]
	(iv)	Spread (plus or minus) (if any):	[+/-][ ] basis points per annum
	(v)	Spread multiplier (if any)	[ ]
	(vi)	Interest Payment Period:	[ ]
	(vii)	Interest Payment Month(s) (if any):	[ ]
	(viii)	Interest Payment Date(s) (if any):	[ ]
	(ix)	Interest Reset Period	[ ]
	(x)	Calculation Agent (party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	Unless the Issuer instructs otherwise, the Calculation Agent will be [the Issuer].
	(xi)	Calculation Date:	[ ]

(xii)	Regular Record Date:	[ ]
(xiii)	Business Day Convention:	[ ]
(xiv)	Any other terms relating to the method of calculating interest on floating rate Notes, if different from those set out in the terms and conditions of the Notes:	[Not Applicable/*give details*]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

13.	Listing and admission to trading:	Dublin (Euronext Dublin). Application has been/is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of Euronext Dublin with effect from the Issue Date.
14.	Ratings:	The Notes to be issued under the Program have been rated: [Standard & Poor's: [ ]] [Fitch Ratings: [ ]] [Moody's Investors Service España, S.A.: [ ]] [*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*]
15.	Clearing System:	The Depository Trust Company
16.	Issuing and Paying Agent:	The Bank of New York Mellon, London Branch
17.	CUSIP No.:	[ ]
18.	Common Code/ISIN Code:	[ ] [*consists of a two letter country code, the CUSIP No., and a single check digit*]

LISTING AND ADMISSION TO TRADING APPLICATION

This document constitutes the Listing Term Sheet in relation to the Notes, including summarizing the Final Terms required to list and have admitted to trading the issue of the Notes described herein, pursuant to the U.S.$25,000,000,000 U.S. Commercial Paper Program of Banco Santander, S.A.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Listing Term Sheet.

Signed on behalf of **BANCO SANTANDER, S.A.**

By:	By: ....
(duly authorized)	*(duly authorized)*

Dated:

PART B – OTHER INFORMATION

1. INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

[So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.]

2. ESTIMATED TOTAL EXPENSES RELATED TO THE ADMISSION TO TRADING

Estimated total expenses: [ ]

3. [*Fixed Rate Notes and Discount Notes only* - **YIELD**[2]

Indication of yield: [ ]]

[2] To be marked "not applicable" in the case of Discount Notes for which a discount rate is applicable.

TAXATION

The following is a general description of certain Spanish and U.S. federal income tax considerations. The information provided below does not purport to be a complete summary of tax law and practice currently applicable and is subject to any changes in law and the interpretation and application thereof, which could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to any particular categories of investors, some of whom (such as dealers in securities) may be subject to special rules.

Prospective purchasers of the Notes are advised to consult their own tax advisers as to the tax consequences, including those under the tax laws of the country of which they are resident, of purchasing, owning and disposing of Notes.

Spanish Tax Considerations

The summary set out below is based upon Spanish law as in effect on the date of this Listing Prospectus as well as on administrative interpretation thereof, and is subject to any change in such law that may take effect after such date. References in this section to Noteholders include the beneficial owners of the Notes. The statements regarding Spanish law and practice set forth below assume that the Notes will be issued, and transfers thereof will be made, in accordance with the Third Amended and Restated Issuing and Paying Agency Agreement.

This information has been prepared in accordance with the following Spanish tax legislation in force on the date of this Listing Prospectus:

(a) of general application, First Additional Provision of Law 10/2014 and Royal Decree 1065/2007;

(b) for individuals resident for tax purposes in Spain which are subject to the Individual Income Tax ("**IIT**"), Law 35/2006 of 28 November, on the IIT and on the Partial Amendment of the Corporate Income Tax Law, the Non-Residents Income Tax Law and the Net Wealth Tax Law, as amended, and Royal Decree 439/2007, of 30 March, promulgating the IIT Regulations, along with Law 19/1991, of 6 June, on Net Wealth Tax, as amended, and Law 29/1987, of 18 December on the Inheritance and Gift Tax;

(c) for legal entities resident for tax purposes in Spain which are subject to the Corporate Income Tax ("**CIT**"), Law 27/2014, of 27 November, on Corporate Income Tax and Royal Decree 634/2015, of 10 July, promulgating the CIT Regulations; and

(d) for individuals and entities who are not resident for tax purposes in Spain which are subject to the Non-Resident Income Tax ("**NRIT**"), Royal Legislative Decree 5/2004, of 5 March, promulgating the Consolidated Text of the NRIT Law, as amended, and Royal Decree 1776/2004 of 30 July promulgating the NRIT Regulations, along with Law 19/1991, of 6 June, on Net Wealth Tax as amended, and Law 29/1987, of 18 December, on the Inheritance and Gift Tax.

Whatever the nature and residence of the Noteholder, the acquisition and transfer of Notes will be exempt from indirect taxes in Spain, i.e., exempt from Transfer Tax and Stamp Duty, in accordance with the Consolidated Text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September and exempt from Value Added Tax, in accordance with Law 37/1992, of 28 December regulating such tax.

Individuals with Tax Residency in Spain

Both interest payments periodically received and income derived from the transfer, redemption or repayments of the Notes constitute a return on investment obtained from the transfer of a person's own capital to third parties in accordance with the provisions of Section 25 of the IIT Law, and therefore must be included in the investor's IIT savings taxable base pursuant to the provisions of the aforementioned law and taxed at (i) a flat rate of 19 per cent on the first EUR 6,000; (ii) 21 per cent from EUR 6,001 up to EUR 50,000; (iii) 23 per cent from EUR 50,001 to EUR 200,000 and (iv) 26 per cent for any amount in excess of EUR 200,000.

In the opinion of Banco Santander and in accordance with Section 44.5 of Royal Decree 1065/2007, Banco Santander will pay interest without withholding to individual Noteholders who are resident for tax purposes in Spain provided that the information about the Notes required by Exhibit I is submitted, notwithstanding the information obligations of Banco Santander under general provisions of Spanish tax legislation. In addition, income obtained upon transfer, redemption or exchange of the Bonds may also be paid without withholding.

However, in the case of Notes held by Spanish resident individuals and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest under the Notes may be subject to withholding tax at the general rate of 19 per cent which will be made by the depositary or custodian.

Amounts withheld may be credited against the final IIT liability.

Net Wealth Tax (Impuesto sobre el Patrimonio)

Individuals with tax residency in Spain are subject to Net Wealth Tax to the extent that their net worth exceeds EUR 700,000. Therefore, they should take into account the value of the Notes which they hold as at 31 December, the applicable rates ranging between 0.2% and 3.5%. The Autonomous Communities (*Comunidades Autónomas)* may have different provisions on this respect.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals resident in Spain for tax purposes who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and State rules. The applicable tax rates currently range between 0% and 81.6% depending on relevant factors.

Legal Entities with Tax Residency in Spain

Corporate Income Tax (Impuesto sobre Sociedades)

Both interest received periodically and income derived from the transfer, redemption or repayment of the Notes are subject to CIT at the current general tax rate of 25% in accordance with the rules for this tax.

In accordance with Section 44.5 of Royal Decree 1065/2007, and in the opinion of Banco Santander there is no obligation to withhold on income payable to Spanish CIT taxpayers (which for the sake of clarity, includes Spanish tax resident investment funds and Spanish tax resident pension funds). Consequently, Banco Santander will not withhold tax on interest payments to Spanish CIT taxpayers provided that the information about the Notes required by Exhibit I is submitted, notwithstanding the information obligations of Banco Santander under general provisions of Spanish tax legislation.

However, in the case of Notes held by a Spanish resident entity and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest under the Notes may be subject to withholding tax at the generally applicable rate of 19%, if the Notes do not comply with exemption requirements specified in the Reply to the Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 in which case the required withholding will be made by the depositary or custodian.

Notwithstanding the above, amounts withheld, if any, may be credited by the relevant investors against its final CIT liability.

Net Wealth Tax (Impuesto sobre el Patrimonio)

Legal entities resident in Spain for tax purposes are not subject to Net Wealth Tax.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Legal entities resident in Spain for tax purposes which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax but must include the market value of the Notes in their taxable income for Spanish CIT purposes.

Individuals and Legal Entities with No Tax Residency in Spain

Non-Resident Income Tax (Impuesto sobre la Renta de no Residentes)

(a) Non-Spanish resident investors acting through a permanent establishment in Spain

If the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are, generally, the same as those previously set out for Spanish CIT taxpayers. See "Taxation—Spanish Tax Considerations—Legal Entities with Tax Residency in Spain—Corporate Income Tax (*Impuesto sobre Sociedades*)". Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

(b) Non-Spanish resident investors not acting through a permanent establishment in Spain

Both interest and gains derived from the transfer, redemption or repayment of the Notes, obtained by individuals or entities who are not resident in Spain for tax purposes and who do not act, with respect to the Notes, through a permanent establishment in Spain, are exempt from NRIT.

In order for the exemption to apply, it is necessary, to comply with certain information obligations relating to the Notes, in the manner detailed under "Taxation—Spanish Tax Considerations—Information about the Notes in Connection with Payments" as laid down in Section 44 of Royal Decree 1065/2007. If these information obligations are not complied with in the manner indicated, Banco Santander will withhold at the general rate of 19 %.

If Noteholders are not resident in Spain for tax purposes and are entitled to exemption from NRIT or reduced tax rates under a tax treaty but Banco Santander does not timely receive the information about the Notes from Noteholders in accordance with the procedure as set forth in Exhibit I hereto, such Noteholders would have to apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the NRIT Law.

Net Wealth Tax (Impuesto sobre el Patrimonio)

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to Net Wealth Tax would generally not be subject to such tax. Otherwise, non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory exceed EUR700,000 would be subject to Net Wealth Tax, the applicable rates ranging between 0.2% and 3.5%.

However, non-Spanish resident individuals will be exempt from Net Wealth Tax in respect of the Notes whose income is exempt from NRIT as described above.

In accordance with Additional Provision 4 of the Net Wealth Tax Law as amended by Law 11/2021 of 9 July, non-resident taxpayers will be entitled to the application of specific regulations approved by the autonomous community where the greater value of the assets and rights they own and for which the tax is required is located, can be exercised or must be fulfilled in Spanish territory.

Non-Spanish resident legal entities are not subject to Net Wealth Tax.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals not resident in Spain for tax purposes who acquire ownership or other rights over Notes by inheritance, gift or legacy, will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish legislation, unless they reside in a country for tax purposes with which Spain has entered into a double tax treaty in relation to Inheritance and Gift Tax. In such case, the provisions of the relevant double tax treaty will apply. The Kingdom of Spain has not entered into a double tax treaty in relation to Inheritance and Gift Tax with the United States.

Non-Spanish resident legal entities which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax. Such acquisitions will be subject to NRIT (as described above), except as provided in any applicable double tax treaty entered into by Spain. In general, double tax treaties provide for the taxation of this type of income in the country of tax residence of the Noteholder.

Tax Rules for Notes not Listed on an Organized Market in an OECD Country

Withholding on Account of IIT, CIT and NRIT

If the Notes are not listed on an organized market in an OECD country on any Payment Date, interest or income from redemption or repayment obtained by Noteholders in respect of the Notes will be subject to withholding tax at the general rate of 19%, except in the case of Noteholders which are: (a) resident in a Member State of the EU other than Spain or the European Economic Area and obtain the interest income either directly or through a permanent establishment located in another Member State of the EU or the European Economic Area, provided that such Noteholders (i) do not obtain the interest income on the Notes through a permanent establishment in Spain and (ii) are not resident of, or are not located in, nor obtain income through, a non-cooperative jurisdiction (in terms of the First Additional Provision of Law 36/2006, of 29 November as amended through Law 11/2021, of 9 July) or (b) resident for tax purposes of a country which has entered into a convention for the avoidance of double taxation with Spain which provides for an exemption from Spanish tax or a reduced withholding tax rate with respect to interest payable to any Noteholder.

Net Wealth Tax (Impuesto sobre el Patrimonio)

See "Taxation—Spanish Tax Considerations—Individuals with Tax Residency in Spain—Net Wealth Tax (Impuesto sobre el Patrimonio)" and "Taxation—Spanish Tax Considerations—Individuals and Legal Entities with No Tax Residency in Spain—Net Wealth Tax (Impuesto sobre el Patrimonio)".

Information about the Notes in Connection with Payments

As described above, interest and other income paid with respect to the Notes will not be subject to Spanish withholding tax unless the procedures for delivering to Banco Santander the information described in Exhibit I of this Listing Prospectus are not complied with.

The information obligations to be complied with in order to apply the exemption are those laid down in Section 44 of Royal Decree 1065/2007 ("**Section 44**").

In accordance with Section 44, the following information with respect to the Notes must be submitted to Banco Santander before the close of business on the Business Day (as defined in the Statement of Terms for Notes of Banco Santander) immediately preceding a Payment Date.

Such information comprises:

(a) the identification of the Notes with respect to which the relevant payment is made;

(b) the date on which the relevant payment is made;

(c) the total amount of the relevant payment;

(d) the amount of the relevant payment paid to each entity that manages a clearing and settlement system for securities situated outside of Spain.

In particular, the Issuing and Paying Agent must certify the information above about the Notes by means of a certificate in the Spanish language, an English language form of which is attached as Exhibit I of this Listing Prospectus.

In light of the above, Banco Santander and the Issuing and Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Notes by 8:00 PM (New York time) on the New York Business Day immediately preceding each relevant Payment Date. If, despite these procedures, the relevant information is not received by Banco Santander on each Payment Date, Banco Santander will withhold tax at the then-applicable rate, generally 19 % from any payment in respect of the relevant Notes.

If, before the tenth day of the month following the month in which interest is paid, the Issuing and Paying Agent provides such information, Banco Santander will reimburse the amounts withheld.

Investors should note that neither Banco Santander nor the Dealers accepts any responsibility relating to the procedures established for the collection of information concerning the Notes. Accordingly, neither Banco Santander nor the Dealers will be liable for any damage or loss suffered by any Noteholder who would otherwise be entitled to an exemption from Spanish withholding tax but whose income payments are nonetheless paid net of Spanish withholding tax because these procedures prove ineffective.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Austria, Italy, Portugal, Spain, Slovakia and Slovenia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's proposal has a very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and participating EU Member States may decide not to participate, as Estonia did.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

In relation to Spain, Law 5/2020, of 15 October, on the FTT (*Ley del Impuesto sobre las Transacciones Financieras*) has been approved by the Spanish Parliament ("**Law 5/2020**"). Law 5/2020 has introduced an indirect tax of 0.2% on the acquisitions of shares of Spanish listed companies, regardless of the residence of the agents that intervene in the transactions, provided the market value of the capitalisation thereof is greater than €1,000 million. According to Law 5/2020, acquisition and transfer of Notes should not be subject to the Spanish FTT.

U.S. Federal Income Tax Considerations

The following is a discussion of certain U.S. federal income tax consequences of the ownership and disposition of the Notes to U.S. Holders described below that purchase the Notes in their initial offering at the "issue price", which is the first price to the public (not including bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at which a substantial amount of the Notes is sold for money, and hold the Notes as capital assets.

This discussion does not purport to be a comprehensive description of all the tax consequences that may be relevant to U.S. Holders in light of their particular circumstances, including alternative minimum tax consequences or the potential application of the provision of the Internal Revenue Code of 1986, as amended (the "**Code**") known as the Medicare contribution tax, or to a U.S. Holder subject to special rules, such as:

- a financial institution;
- a regulated investment company;
- a dealer or an electing trader in securities that uses a mark-to-market method of tax accounting;
- a person holding the Notes as part of a straddle or integrated transaction;
- a person whose functional currency for U.S. federal income tax purposes is not the U.S. Dollar;
- a person holding Notes in connection with a trade or business conducted outside the United States;
- an entity classified as a partnership for U.S. federal income tax purposes; or
- a tax-exempt entity, "individual retirement account" or "Roth IRA".

This discussion is based on the Code, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury Regulations, and the U.S.-Spain income tax treaty (the "**Treaty**"), all as of the date hereof, changes to any of which subsequent to the date of this Listing Prospectus may affect the tax consequences described herein. Prospective investors of Notes are urged to consult their tax advisers with regards to the application of the U.S. federal income tax

laws to their particular situations, as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

As used herein, a "**U.S. Holder**" is a person that for U.S. federal income tax purposes is a beneficial owner of a Note and: (i) a citizen or individual resident of the United States; (ii) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein, or the District of Columbia; or (iii) an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Interests

A debt instrument that matures one year or less from its date of issuance (taking into account the last possible date that the debt instrument could be outstanding) will be treated, for U.S. federal income tax purposes, as a short-term debt instrument issued with original issue discount. The amount of original issue discount will be equal to the difference between the debt instrument's issue price and the sum of all payments required under the debt instrument. The remainder of this discussion assumes that the Notes will have a term of one year or less (taking into account the last possible date that the Notes could be outstanding).

In general, a cash-method U.S. Holder is not required to accrue the discount for U.S. federal income tax purposes unless it elects to do so. Cash-method U.S. Holders that so elect and certain other U.S. Holders, including those who report income on an accrual method of accounting for U.S. federal income tax purposes, are required to include the discount in income (as interest income) as it accrues on a straight-line basis, unless a separate election is made to accrue the discount according to a constant yield method based on daily compounding. In the case of a U.S. Holder that is not required, and does not elect, to include the discount in income currently, any interest payment received in respect of a Note generally will be taxed as ordinary income at the time of receipt. In addition, U.S. Holders will be required to defer deductions for any interest paid on indebtedness incurred to purchase the Notes to the extent of the accrued discount that has not been included in income.

Sale, Retirement or Other Taxable Disposition

Upon the sale, or other taxable disposition of a Note (including a redemption or retirement of a Note), a U.S. Holder will recognize taxable gain or loss equal to the difference between the amount realized on the sale or disposition and its adjusted tax basis in the Note. Any gain will be taxed as ordinary interest income to the extent of any accrued but unrecognized discount through the date of the sale or disposition (see "—*Interest*" above). Otherwise, gain or loss on the sale or other taxable disposition of a Note will be short-term capital gain or loss.

Effect of any Spanish Taxes

For purposes of computing a U.S. Holder's foreign tax credit limitation, interest income will constitute foreign-source income and any capital gains or loss from a sale or other disposition of a Note will be U.S.-source.

The amount of taxable income or gain will include any Spanish taxes withheld from payments on the Notes (and, without duplication, additional amounts paid with respect thereto). Any Spanish income taxes withheld from payments of interest on the Notes (including redemption or retirement

proceeds treated as interest, as discussed above) will not be creditable against a U.S. Holder's U.S. federal income tax liability if the withholding tax is refundable under Spanish law or to the extent the tax can be reduced or eliminated under the Treaty (which generally provides for an exemption from Spanish income tax on interest income). In addition, recently issued Treasury Regulations impose additional requirements for non-U.S. taxes to be eligible for credit in the absence of an election to apply the benefits of an applicable income tax treaty, and we have not determined whether these requirements have been met with respect to Spanish withholding taxes on interest, if any. If any Spanish withholding tax is imposed with respect to redemption, retirement or disposition proceeds that are not treated as interest for U.S. federal income tax purposes, the Spanish tax will generally not be creditable against a U.S. Holder's U.S. federal income tax liability. U.S. Holders should consult their tax advisers regarding the consequences of any Spanish tax on payments on the Notes.

Backup Withholding and Information Reporting

Information returns may be filed with the Internal Revenue Service in connection with payments on the Notes and the proceeds from a sale or other disposition of the Notes. A U.S. Holder may be subject to U.S. backup withholding on these payments if the U.S. Holder fails to provide its taxpayer identification number to the Issuing and Paying Agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, *provided* that the required information is timely furnished to the Internal Revenue Service.

GENERAL INFORMATION

Clearing of the Notes

The Notes have been accepted for clearance through DTC. The appropriate identification number in relation to each issue of Notes will be specified in the Final Terms relating thereto.

Admission to Listing and Trading

It is expected that Notes issued under the Program may be admitted to listing on the Official List of Euronext Dublin and to trading on the regulated market of Euronext Dublin after 17 November 2022. The admission of the Notes to trading on the regulated market of Euronext Dublin will be expressed as a percentage of their principal amount. Any Notes intended to be admitted to listing on the Official List of Euronext Dublin and admitted to trading on the regulated market of Euronext Dublin will be so admitted to listing and trading upon submission to Euronext Dublin of the relevant Final Terms and any other information required by Euronext Dublin, subject in each case to the issue of the relevant Notes.

However, Notes may be issued pursuant to the Program which will be admitted to listing, trading and or quotation by such other listing authority, stock exchange and/or quotation system as Banco Santander and the relevant Dealer(s) may agree. No Notes may be issued pursuant to the Program on an unlisted basis.

Authorizations and approvals

The establishment and the update of the Program and the issuance of Notes pursuant thereto was authorized by the provisions of article 17 of Banco Santander's bylaws, the Board of Directors of Banco Santander passed on 24 April 2007 and the Executive Committee of Banco Santander passed on 7 November 2022. Banco Santander has obtained or will obtain from time to time all necessary consents, approvals and authorizations in connection with the issue and performance of the Notes.

Significant Change

There has been no significant change in the financial or trading position of Banco Santander or the Group since 30 September 2022.

Material Contracts

During the past two years, Banco Santander has not been a party to any contracts that were not entered into in the ordinary course of business of Banco Santander and which was material to the Group as a whole.

Documents on Display

Electronic or physical copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the office of the Issuing and Paying Agent at One Canada Square, London E14 5AL, United Kingdom and at the head office of Banco Santander (being Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte, Madrid, Spain) for the life of this Listing Prospectus:

1. the *estatutos* (by-laws) of Banco Santander;
2. the audited and unaudited financial statements incorporated by reference herein;
3. this Listing Prospectus, together with any supplements thereto;
4. the Third Amended and Restated Issuing and Paying Agency Agreement;
5. the Amended and Restated Dealer Agreements; and
6. the DTC Letter of Representations.

Set out below is Exhibit I. Sections in English have been translated from the original Spanish. The language of this Listing Prospectus is English. The Spanish language text of Exhibit I has been included in order that the correct technical meaning may be ascribed to such text under applicable Spanish law.

Any foreign language text included within the document is for convenience purposes only and does not form part of the Listing Prospectus.

EXHIBIT I

Anexo al Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos, aprobado por Real Decreto 1065/2007

Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 44 del Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos

Annex to Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Declaration form referred to in paragraphs 3, 4 and 5 of Article 44 of the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Don (nombre), con número de identificación fiscal (…)(1), en nombre y representación de (entidad declarante), con número de identificación fiscal (….)(1) y domicilio en (…) en calidad de (marcar la letra que proceda):

Mr. (name), with tax identification number (...)(1), in the name and on behalf of (entity), with tax identification number (....)(1) and address in (...) as (function - mark as applicable):

(a) Entidad Gestora del Mercado de Deuda Pública en Anotaciones.

(a) Management Entity of the Public Debt Market in book entry form.

(b) Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.

(b) Entity that manages the clearing and settlement system of securities resident in a foreign country.

(c) Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.

(c) Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.

(d) Agente de pagos designado por el emisor.

(d) Paying Agent appointed by the issuer.

Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:

Makes the following statement, according to its own records:

1. En relación con los apartados 3 y 4 del artículo 44:

1. In relation to paragraphs 3 and 4 of Article 44:

1.1 Identificación de los valores...

1.1 Identification of the securities ....

1.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)

1.2 Income payment date (or refund if the securities are issued at discount or are segregated)

1.3 Importe total de los rendimientos (o importe total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados)… ....

1.3 Total amount of income (or total amount to be refunded, in any case, if the securities are issued at discount or are segregated)

1.4 Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas, excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora..

1.4 Amount of income corresponding to Personal Income Tax taxpayers, except segregated coupons and segregated principals for which reimbursement an intermediary entity is involved...

1.5 Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados).

1.5 Amount of income which according to paragraph 2 of Article 44 must be paid gross (or total amount to be refunded if the securities are issued at discount or are segregated).

2. En relación con el apartado 5 del artículo 44.

2. In relation to paragraph 5 of Article 44.

2.1 Identificación de los valores...

2.1 Identification of the securities ....

2.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)...

2.2 Income payment date (or refund if the securities are issued at discount or are segregated) ....

2.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados) ....

2.3 Total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated)

2.4 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A.

2.4 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country A.

2.5 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B.

2.5 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country B.

2.6 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero C.

2.6 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country C.

Lo que declaro en ....….a …. de ....…de ….

I declare the above in .... on the.... of .... of ....

(1) En caso de personas, físicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia

(1) In case of non-residents (individuals or corporations) without permanent establishment in Spain the number or identification code which corresponds to their country of residence shall be included.

REGISTERED OFFICE OF BANCO SANTANDER

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To Banco Santander

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