Banco Santander, S.A.
28 February 2025

Banco Santander, S.A.
(the "Company")

Publication of 2024 UK Annual Report

The Company's annual report for the year ended 31 December 2024 (the "UK Annual Report"), prepared in connection with the Company's obligations under the UK Listing Rules (the "LRs") and the UK Disclosure Guidance and Transparency Rules (the "DTRs"), has today been published and is available on the Company's website at https://www.santander.com/en/.

In accordance with LR 14.3.6R, a copy of the UK Annual Report has been submitted to the Financial Conduct Authority and will shortly be available for inspection on the National Storage Mechanism website at https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

In accordance with DTR 6.3.5R, the UK Annual Report can also be downloaded in pdf format from the Company's website at https://www.santander.com/en/shareholders-and-investors/financial-and-economic-information#filings-with-other-regulatory-bodies.

In accordance with DTR 6.3.5R, the Appendix to this announcement contains certain information extracted from the UK Annual Report. This constitutes the information required to be communicated to the media in unedited full text through a Regulatory Information Service. This information is not a substitute for reading the full UK Annual Report.

Enquiries

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28 February 2025

APPENDIX

The primary purpose of this announcement is to inform the market about the publication of the UK Annual Report.

The information below, which is extracted from the UK Annual Report, constitutes the material required for the purposes of compliance with DTR 6.3.5R and is included solely for the purpose of complying with DTR 6.3.5R. This announcement is not a substitute for reading the UK Annual Report. Page and note references in the extracted information below refer to, respectively, page numbers and notes in the UK Annual Report.

Auditor's report on the consolidated annual accounts of Banco Santander, S.A. and its subsidiaries (Grupo Santander) (pages 563 to 571)

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent auditor's report on the consolidated annual accounts

To the shareholders of Banco Santander, S.A.

Report on the consolidated annual accounts

Opinion

We have audited the consolidated annual accounts of Banco Santander, S.A. (the Parent company) and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, and the income statement, statement of recognised income and expense, statement of changes in total equity, cash flow statement and related notes, all consolidated, for the year then ended.

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the equity and financial position of the Group as at 31 December 2024, as well as its financial performance and cash flows, all consolidated, for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated annual accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the consolidated annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Estimation of impairment of financial assets at amortised cost - loans and advances to customers – for credit risk	
The models used to estimate the expected credit losses, along with the adaptations made in the context of the current environment, entail a high complexity by incorporating estimates and judgments, especially those related to the updated and management overlays made to the models to	We have obtained, in collaboration with our credit risk and economic forecasting experts, an understanding of management's process to estimate the impairment of financial assets at amortised cost - loans and advances to customers - over the estimation of impairment of financial assets assessed collectively and individually,

determine the expected credit loss in the current macroeconomic environment.

These estimates require an elevated component of judgement by management and are one of the most significant and complex estimates in the preparation of the consolidated annual accounts as at December 31, 2024 included herein, therefore they have been considered one of the key audit matters.

The main judgements and assumptions used by management are the following:

- The estimation of the Probability of Default (PD) and Loss Given Default (LGD) parameters.

- Identification and classification of the staging criteria of loans and advances to customers.

- The definition and evaluation of the updates and management overlays to adapt the parameters estimated by the expected credit loss models to the conditions and current environment.

- The main assumptions used in the determination of the coverage over expected credit losses estimated individually.

The Group's loans and advances to customers lending business is concentrated in the three global businesses of Retail & Commercial Banking, Digital Consumer Bank and Corporate & Investment Banking, and nine key markets (Brazil, Chile, Spain, United States, Mexico, Poland, Portugal, United Kingdom and the consumer finance business in Europe).

including the potential climate risk impact, on which we have made inquiries to management as part of our understanding audit procedures.

In regards with the internal control, we have focused on testing the design and operating effectiveness of key controls over the following processes:

- Calculation methodologies, calibrations, monitoring and back-testing of the expected credit loss models performed by management.

- Compliance with regulation and internal policies, and the functionality of the internal expected credit loss models approved by management.

- Reliability of the data sources used in the calculations and the suitability of the expected credit loss models taking into account the conditions and current environment.

- Periodic review process of borrower to determine proper staging criteria.

- Review process over the calculation of the principal models and portfolios.

- Review process of the updates and management overlays to the expected credit loss models made by management due to the conditions and current environment.

- Review process of the expected credit loss models performed by the Internal Validation Unit and their governance.

- Loan collateral assignment and valuation process associated with mortgage collateral operations, including collateral recovery process.

Key audit matter

As a result, for the year ended 2024 the Group has recognised an amount of EUR 12,644 million of impairment of financial assets at amortised cost.

Please refer to Notes 2, 10 and 54 of the consolidated annual accounts as at December 31, 2024.

How our audit addressed the key audit matter

In addition, in collaboration with our credit risk, economic forecasting and real estate valuation experts we performed the following tests of details:

- Tests of principal models with respect to: i) calculation and segmentation methods; ii) methodology used for the estimation of the expected loss parameters; iii) data and main assumptions used, iv) staging criteria and v) scenario information and assumptions.

- Evaluation of the management updates to the expected credit loss models made by management due to the conditions and current environment, if applicable.

- Verification of the correct consideration of the collaterals in the estimate of the impairment of loans, especially those that are classified as doubtful.

- Reperformance of the collective provisions calculation based on the expected credit loss models parameters.

- Obtaining a sample of individual credit files to determine the adequacy of their accounting and classification, expected loss estimation methodologies and, where appropriate, corresponding impairment.

In the procedures described above, no exceptions were identified outside of a reasonable range.

Goodwill impairment assessment

The goodwill impairment assessment is an exercise that requires a high degree of judgement and estimation therefore it has been considered one of the key audit matters.

Due to their relevance to the Group, management monitors goodwill, particularly the Santander US Auto Cash Generating Unit (CGU) and assesses goodwill for impairment at the end of each annual reporting period or whenever there is any indication of impairment.

We have obtained, in collaboration with our valuation experts, an understanding of the process performed by management to assess the recoverable amount.

In regards with the internal control, we have focused on testing the design and operating effectiveness of key controls over the following processes:

- Definition of the Group's CGUs.

- Methodology used by management for the goodwill impairment assessment, including the controls in place to supervise the process and the related approvals.

Key audit matter

The assumptions used by management to estimate the value in use of the Cash-Generating Units (CGUs) includes financial projections, discount rates and perpetual growth rates. Such valuations, and some of these assumptions, are performed by management's experts.

The amount of the Group's consolidated goodwill balance as at December 31, 2024 is EUR 13,438 million.

Please refer to Notes 2 and 17 of the consolidated annual accounts as at December 31, 2024.

How our audit addressed the key audit matter

- Budgeting process on which the projections used in the discounted cash flow projections are based on.

- Management's capability of reliable prediction through the comparison of previous years' estimations and impairment assessments with the actual results.

- Review process of the reasonableness of the discount rates and perpetual growth rates used by management's experts.

- Review process of the mathematical accuracy of the valuation models used by management experts.

We also conducted tests of details to evaluate the discounted cash flow projections used by management in their estimation, including the budgetary compliance of the main CGUs and the evaluation of the reasonableness of the assumptions, such as discount rates and perpetual growth rates.

In addition, we have performed, among others, the following tests of details:

- Verifying the mathematical accuracy of the goodwill impairment test, including the discounted cash flow projections.

- Comparing the fair value of the listed CGUs to their recoverable amount.

- Obtain and evaluate the valuation reports regarding the goodwill impairment test performed by management's internal and external experts.

- Verifying the adequacy of the information disclosed in the consolidated annual accounts in accordance with applicable regulations.

In the procedures described above, no exceptions were identified outside of a reasonable range.

Key audit matter	How our audit addressed the key audit matter
Litigation provisions and contingencies The Group is party to a range of tax, labour and legal proceedings - administrative and judicial - which primarily arise in the ordinary course of its operations. Also, there are other situations not yet subject to any judicial process that, however, have required the recognition of provisions, such as aspects of conduct with clients and the possible compensations that could be derived. These procedures generally take a long period of time to run their course, giving rise to complex processes in accordance with the applicable legislation across the different jurisdictions where the Group operates, therefore it has been considered one of the key audit matters. Management decides when to recognize a provision for these contingent liabilities, based on an estimate using certain procedures consistent with the nature of the uncertainty of the obligations. Among these provisions, mainly related to operations of the global businesses of Retail & Commercial Banking, Digital Consumer Bank and Corporate & Investment Banking, the most significant are those that cover the tax and labour proceedings in Brazil and those that cover the legal proceedings in Brazil, Spain, Poland, Mexico and the United Kingdom.	We have obtained, in collaboration with our experts, an understanding of the estimation process performed by management for litigation provisions and contingencies. In regards with the internal control, we have focused on testing the design and operating effectiveness of key controls over the following processes: • Additions, logs and updates over the completeness of the legal matters in the systems. • Accuracy of the key data, maintained in the systems, used in the calculation of the litigations provisions and contingencies. • Assessment of the criteria used to estimate the expected losses from litigation provisions and contingencies and evaluation of the adequacy over the calculation of the provisions for regulatory, legal or tax procedures and their recognition. • Major minutes reconciliation of the tax inspections and the amounts accounted for. In addition, we have performed the following tests of details: • Analysis for reasonableness of the expected

Key audit matter	How our audit addressed the key audit matter
The amount of the litigation provisions and contingencies as at December 31, 2024 is EUR 4,464 million. Please refer to Notes 2 and 25 of the consolidated annual accounts as at December 31, 2024.	outcomes of the most significant tax and legal proceedings. • Assessment of possible contingencies relating to compliance with the tax obligations for all the years open to inspection, of the communications with the regulatory bodies and analysis of the ongoing regulatory inspections. • Sending, obtaining and analysing, if any, audit confirmation letters from external and internal lawyers and external tax advisors who work with the Group or performing alternative procedures if confirmations are not received. • Analysis of the recognition and reasonableness of the provisions recorded.

Key audit matter | **How our audit addressed the key audit matter**

- Verifying the adequacy of the information disclosed in the consolidated annual accounts in accordance with applicable regulations.

In the procedures described above, no exceptions were identified outside of a reasonable range.

Key audit matter	How our audit addressed the key audit matter
Information systems The Group’s financial information is highly dependent on information technology (IT) systems in the geographies where it operates, therefore an adequate control of these systems is crucial to ensuring correct data processing. In this context, it is vital to evaluate aspects such as the organization of the Group’s Technology and Operations department, controls over software maintenance and development, physical and logical security controls, controls over computer operations, and the management's response to cybersecurity risks, therefore it has been considered one of the key audit matters. In this respect, management continues monitoring the internal controls over IT systems, including third-party services and the access controls that support the Group’s technology processes.	We have evaluated, in collaboration with our IT system specialists, the internal controls over the IT systems, databases and applications that support the Group’s financial reporting. For this purpose, we have performed procedures over the design and operating effectiveness of key controls and test of details related to: • The function of the IT governance framework. • Access and logical security controls over the applications, operating systems and databases that support the relevant financial information. • Application development and change management. • Maintenance of computer operations, including obtaining an understanding of management's response to cybersecurity risks. In addition, considering the monitoring carried out by management over its internal controls over IT systems, our approach and audit plan included the following aspects: • Evaluation of the monitoring made by management as part of its internal control environment of the Group, including third-party services internal control

- Testing of the design and operating effectiveness of the controls implemented by management, including access controls.

In the procedures described above, no exceptions were identified outside of a reasonable range.

Other information: Consolidated Directors' report

Other information comprises only the consolidated directors' report for the 2024 financial year, the formulation of which is the responsibility of the Parent company's directors and does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated directors' report. Our responsibility regarding the consolidated directors' report, in accordance with legislation governing the audit practice, is to:

a) Verify only that the consolidated statement of non-financial information, certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as referred to in the Auditing Act, have been provided in the manner required by applicable legislation and, if not, we are obliged to disclose that fact.

b) Evaluate and report on the consistency between the rest of the information included in the consolidated directors' report and the consolidated annual accounts as a result of our knowledge of the Group obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the consolidated directors' report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the consolidated directors' report is consistent with that contained in the consolidated annual accounts for the 2024 financial year, and its content and presentation are in accordance with applicable regulations.

Responsibility of the directors and the audit committee for the consolidated annual accounts

The Parent company's directors are responsible for the preparation of the accompanying consolidated annual accounts, such that they fairly present the consolidated equity, financial position and financial performance of the Group, in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent company's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the aforementioned directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent company's audit committee is responsible for overseeing the process of preparation and presentation of the consolidated annual accounts.

Auditor’s responsibilities for the audit of the consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent company's directors.

- Conclude on the appropriateness of the Parent company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent company's audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent company's audit committee with a statement that we have complied with ethical requirements relating to independence and we communicate with the aforementioned those matters that may reasonably be considered to threaten our independence and, where applicable, the safeguards adopted to eliminate or reduce such threat.

From the matters communicated with the Parent company’s audit committee, we determine those matters that were of most significance in the audit of the consolidated annual accounts of the current period and are therefore the key audit matters.

We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of Banco Santander, S.A. and its subsidiaries for the 2024 financial year that comprise an XHTML file which includes the consolidated annual accounts for the financial year and XBRL files with tagging performed by the entity, which will form part of the annual financial report.

The directors of Banco Santander, S.A. are responsible for presenting the annual financial report for the 2024 financial year in accordance with the formatting and markup requirements established in the Delegated Regulation (EU) 2019/815 of 17 December 2018 of the European Commission (hereinafter the ESEF Regulation).

Our responsibility is to examine the digital files prepared by the Parent company's directors, in accordance with legislation governing the audit practice in Spain. This legislation requires that we plan and execute our audit procedures in order to verify whether the content of the consolidated annual accounts included in the aforementioned digital files completely agrees with that of the consolidated annual accounts that we have audited, and whether the format and markup of these accounts and of the aforementioned files has been effected, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital files examined completely agree with the audited consolidated annual accounts, and these are presented and have been marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Report to the audit committee of the Parent company

The opinion expressed in this report is consistent with the content of our additional report to the audit committee of the Parent company dated 26 February 2025.

Appointment period

The General Ordinary Shareholders' Meeting held on 22 March 2024 appointed us as auditors of the Group for a period of one year, for the year ended 31 December 2024.

Previously, we were appointed by resolution of the General Ordinary Shareholders' Meeting for a period of three years and we have audited the accounts continuously since the year ended 31 December 2016.

Services provided

Services provided to the Group for services other than the audit of the accounts are disclosed in note 47 of the consolidated annual accounts.

PricewaterhouseCoopers Auditores, S.L. (S0242)

Julián González Gómez (20179)

26 February 2025

Auditor’s report on the annual accounts of Banco Santander, S.A. (pages 877 to 885)

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation

Independent auditor’s report on the annual accounts

To the shareholders of Banco Santander, S.A.,

Report on the annual accounts

Opinion

We have audited the annual accounts of Banco Santander S.A. (the Bank), which comprise the balance sheet as at 31 December 2024, and the income statement, statement of recognised income and expense, statement of changes in total equity, statement of cash flow and related notes for the year then ended.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of the Bank as at 31 December 2024, as well as its financial performance and cash flows for the year then ended, in accordance with the applicable financial reporting framework (as identified in note 1 of the notes to the annual accounts), and in particular, with the accounting principles and criteria included therein.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the annual accounts* section of our report.

We are independent of the Bank in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Estimation of impairment of financial assets at amortised cost - loans and advances to customers – for credit risk

The models used to estimate the expected credit losses, along with the adaptations made in the context of the current environment, entail a high complexity by incorporating estimates and judgments, especially those related to the updated and management overlays made to the models to determine the expected credit loss in the current macroeconomic environment.

These estimates require an elevated component of judgement by management and are one of the most significant and complex estimates in the preparation of the annual accounts as at December 31, 2024 included herein, therefore they have been considered one of the key audit matters.

The main judgements and assumptions used by management are the following:

- The estimation of the Probability of Default (PD) and Loss Given Default (LGD) parameters.

- Identification and classification of the staging criteria of loans and advances to customers.

- The definition and evaluation of the updates and management overlays to adapt the parameters estimated by the expected credit loss models to the conditions and current environment.

- The main assumptions used in the determination of the coverage over expected credit losses estimated individually.

The Bank's business is focused on lending loans and advances to customers.

As a result, for the year ended 2024 the Bank has recognised an amount of EUR 1,333 million of impairment of financial assets at amortised cost.

Please refer to Notes 2, 6, 10 and 49 of the annual accounts as at December 31, 2024.

How our audit addressed the key audit matter

We have obtained, in collaboration with our credit risk and economic forecasting experts, an understanding of management's process to estimate the impairment of financial assets at amortised cost - loans and advances to customers - over the estimation of impairment of financial assets assessed collectively and individually, including the potential climate risk impact, on which we have made inquiries to management as part of our understanding audit procedures.

In regards with the internal control, we have focused on testing the design and operating effectiveness of key controls over the following processes:

- Calculation methodologies, calibrations, monitoring and back-testing of the expected credit loss models performed by management.

- Compliance with regulation and internal policies and the functionality of the internal expected credit loss models approved by management.

- Reliability of the data sources used in the calculations and the suitability of the expected credit loss models taking into account the conditions and current environment.

- Periodic review process of borrower to determine proper staging criteria.

- Review process over the calculation of the principal models and portfolios.

- Review process of the updates and management overlays to the expected credit loss models made by management due to the conditions and current environment.

Key audit matter	How our audit addressed the key audit matter
	• Review process of the expected credit loss models performed by the Internal Validation Unit and their governance. • Loan collateral assignment and valuation process associated with mortgage collateral operations, including collateral recovery process. In addition, in collaboration with our credit risk, economic forecasting and real estate valuation experts we performed the following tests of details: • Tests of principal models with respect to: i) calculation and segmentation methods; ii) methodology used for the estimation of the expected loss parameters; iii) data and main assumptions used, iv) staging criteria and v) scenario information and assumptions. • Evaluation of the management updates to the expected credit loss models made by management due to the conditions and current environment, if applicable. • Verification of the correct consideration of the collaterals in the estimate of the impairment of loans, especially those that are classified as doubtful. • Reperformance of the collective provisions calculation based on the expected credit loss models parameters. • Obtaining a sample of individual credit files to determine the adequacy of their accounting and classification, expected loss estimation methodologies and, where appropriate, corresponding impairment. In the procedures described above, no exceptions were identified outside of a reasonable range.
Litigation provisions and contingencies The Bank is party to a range of tax and legal proceedings - administrative and judicial - which primarily arise in the ordinary course of its operations. Also, there are other situations not yet subject to any judicial process that, however, have required the recognition of provisions, such as aspects of conduct with clients and the possible compensations that could be derived.	We have obtained, in collaboration with our experts, an understanding of the estimation process performed by management for litigation provisions and contingencies. In regards with the internal control, we have focused on testing the design and operating effectiveness of key controls over the following processes:

Key audit matter

These procedures generally take a long period of time to run their course, giving rise to complex processes in accordance with the applicable legislation therefore it has been considered one of the key audit matters.

Management decides when to recognize a provision for these contingent liabilities, based on an estimate using certain procedures consistent with the nature of the uncertainty of the obligations.

Among these provisions, some of the most significant are those for customer compensation for the sale of certain products; these estimates are based on the number of claims expected to be received, the number expected to be accepted, and the estimated average pay out per case.

The amount of the litigation provisions and contingencies as at December 31, 2024 is EUR 1,261 million.

Please refer to Notes 2 and 23 of the annual accounts as at December 31, 2024.

How our audit addressed the key audit matter

- Additions, logs and updates over the completeness of the legal matters in the systems

- Accuracy of the key data, maintained in the systems, used in the calculation of the litigations provisions and contingencies.

- Assessment of the criteria used to estimate the expected losses from litigation provisions and contingencies and evaluation of the adequacy over the calculation of the provisions for regulatory, legal or tax procedures and their recognition.

- Major minutes reconciliation of the tax inspections and the amounts accounted for.

In addition, we have performed the following tests of details:

- Analysis for reasonableness of the expected outcomes of the most significant tax and legal proceedings.

- Assessment of possible contingencies relating to compliance with the tax obligations for all the years open to inspection, of the communications with the regulatory bodies and analysis of the ongoing regulatory inspections.

- Sending, obtaining and analysing, if any, audit confirmation letters from external and internal lawyers and external tax advisors who work with the Bank or performing alternative procedures if confirmations are not received.

- Analysis of the recognition and reasonableness of the provisions recorded.

- Verifying the adequacy of the information disclosed in the annual accounts in accordance with applicable regulations.

In the procedures described above, no exceptions were identified outside of a reasonable range.

Impairment of investments in subsidiaries

As indicated in Note 13 of the accompanying annual accounts, Banco Santander, S.A. is the parent company of a group of entities, whose fundamental activities are in the financial services sector. The carrying value of the investments in subsidiaries as at December 31, 2024 is EUR 97,674 million.

Management performs an analysis of the potential losses in investments in subsidiaries that it has registered in its accounting records. This analysis is performed using different parameters such as the market price or the net equity adjusted for the unrealised gains existing at the valuation date, including implicit goodwill net of its corresponding impairment, if any.

The valuation or analysis of the impairment of some of these investments require an elevated component of judgment, principally for those investments measured using the net equity adjusted for the unrealised gains existing at the valuation date including its implicit goodwill, therefore it has been considered one of the key audit matters.

This valuation, performed by Bank's management, is based on the analysis performed as part of the implicit goodwill impairment assessment, where assumptions such as financial projections, discount rates, perpetual growth rates and market quotes (if available).
Please refer to Note 13 of the annual accounts as at December 31, 2024.

We have obtained an understanding of the valuation process of the investment in subsidiaries. In addition, where the valuation of investment requires the use of an elevated component of judgment, we have relied on the assistance of our valuation experts.

With respect to internal controls, we have focused on the design and operating effectiveness of the controls in the valuation process and over the methodology, inputs and relevant assumptions used by management for the year-end estimates, including the controls performed to supervise the process and the related approvals.

Additionally, we have performed tests of details consisting of the following:

- Verify the valuation performed by the Bank, using as a reference the recoverable balance of the investments in subsidiaries.

- Verify that management's valuation methodology is in line with the applicable accounting standards, market practice and the specific expectations of the sector.

- For investments whose valuation is calculated considering implicit goodwill, we evaluated the reasonableness of the valuation models based on projected discounted cash flows.

- Verifying the adequacy of the information disclosed in the annual accounts in accordance with applicable regulations.

In the procedures described above, no exceptions were identified outside of a reasonable range.

Information systems

The Bank's financial information is highly dependent on information technology (IT) systems, therefore an adequate control of these systems is crucial to ensuring correct data processing.

In this context, it is vital to evaluate aspects such as the organization of the Bank's Technology and Operations department, controls over software maintenance and

We have evaluated, in collaboration with our IT system specialists, the internal controls over the IT systems, databases and applications that support the Bank's financial reporting.

For this purpose, we have performed procedures over the design and operating effectiveness of key controls and test of details related to:

development, physical and logical security controls, controls over computer operations and the management's response to cybersecurity risks, therefore it has been considered one of the key audit matters.

In this respect, management continues monitoring the internal controls over IT systems, including third party services and the access controls that support the Bank's technology processes.

- The function of the IT governance framework.

- Access and logical security controls over the applications, operating systems and databases that support the relevant financial information.

- Application development and change management.

- Maintenance of computer operations, including obtaining an understanding of management's response to cybersecurity risks.

In addition, considering the monitoring carried out by management over its internal controls over IT systems, our approach and audit plan included the following aspects:

- Evaluation of the monitoring made by management as part of its internal control environment of the Bank, including third-party services internal control.

- Testing of the design and operating effectiveness of the controls implemented by management, including access controls.

In the procedures described above, no exceptions were identified outside of a reasonable range.

Other information: Director's report

Other information comprises only the directors' report for the 2024 financial year, the formulation of which is the responsibility of the Bank's directors and does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the directors' report. Our responsibility regarding the directors' report, in accordance with legislation governing the audit practice, is to:

a) Verify only that the statement of non-financial information, certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as referred to in the Auditing Act, have been provided in the manner required by applicable legislation and, if not, we are obliged to disclose that fact.

b) Evaluate and report on the consistency between the rest of the information included in the directors' report and the annual accounts as a result of our knowledge of the Company obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the directors' report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the directors’ report is consistent with that contained in the annual accounts for the 2024 financial year, and its content and presentation are in accordance with applicable regulations.

Responsibility of the directors and the audit committee for the annual accounts

The directors are responsible for the preparation of the accompanying annual accounts, such that they fairly present the equity, financial position and financial performance of the Bank, in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the process of preparation and presentation of the annual accounts.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the entity's audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the entity's audit committee with a statement that we have complied with ethical requirements relating to independence and we communicate with the aforementioned those matters that may reasonably be considered to threaten our independence and, where applicable, the safeguards adopted to eliminate or reduce such threat.

From the matters communicated with the entity’s audit committee, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters.

We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital file of the European single electronic format (ESEF) of Banco Santander S.A. for the 2024 financial year that comprises an XHTML file of the annual accounts for the financial year, which will form part of the annual financial report.

The directors of Banco Santander S.A. are responsible for presenting the annual financial report for the 2024 financial year in accordance with the formatting requirements established in the Delegated Regulation (EU) 2019/815 of 17 December 2018 of the European Commission (hereinafter the ESEF Regulation). In this regard, the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration have been incorporated by reference in the directors' report.

Our responsibility is to examine the digital file prepared by the Bank's directors, in accordance with legislation governing the audit practice in Spain. This legislation requires that we plan and execute our audit procedures in order to verify whether the content of the annual accounts included in the aforementioned file completely agrees with that of the annual accounts that we have audited, and whether the format of these accounts has been effected, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital file examined completely agrees with the audited annual accounts, and these are presented, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Report to the audit committee

The opinion expressed in this report is consistent with the content of our additional report to the audit committee of the Bank dated 26 February 2025.

Appointment period

The General Ordinary Shareholders' Meeting held on 22 March 2024 appointed us as auditors for a period of one year, for the year ended 31 December 2024.

Previously, we were appointed by resolution of the General Ordinary Shareholders' Meeting for a period of three years and we have audited the accounts continuously since the year ended 31 December 2016.

Services provided

Services provided to the audited entity and its subsidiaries for services other than the audit of the accounts are disclosed in note 43 of the annual accounts.

PricewaterhouseCoopers Auditores, S.L. (S0242)

Julián González Gómez (20179)

26 February 2025

Important events (page 874)

1.4 Important events

The following events occurred from 1 January 2025 to 25 February 2025, being the date on which the consolidated financial statements were authorized for issue (see note 1.g to the consolidated financial statements).

On 20 January 2025, Banco Santander, S.A. prepaid all the Tier 1 Contingently Convertible Preferred Securities with ISIN code XS179325004 and common code 179325004 in circulation, for a total nominal amount of EUR 187.6 million and which trade on the Irish Stock Market 'Global Exchange Market' (the 'PPCC').

Under the authorization of the 2023 annual general meeting and also according to the 2024 shareholder remuneration policy, on 4 February 2025 the board resolved to execute a new share buyback programme for a maximum amount of approximately EUR 1,587 million. The appropriate regulatory authorization has already been obtained and the execution of which began on 6 February 2025.

Principal risks

8.3 Emerging risks in 2024 (pages 552 and 553)

Our emerging risks exercise aims to detect, assess and monitor risks that may have a significant impact on our business model, profitability and solvency under stressful conditions with low likelihood of occurrence.

Proactive emerging risk management is essential to avoid and mitigate potentially negative impacts on, and deviations from, targets through action plans drawn up in advance.

This involves both the first and second line of defence in our subsidiaries and at the corporate centre. We also embed identified risks in the idiosyncratic scenarios of the Group's Internal Capital Adequacy Assessment Process (ICAAP) and viability, recovery and resolution plans.

In 2024, the main emerging risk drivers were geopolitical and macroeconomic uncertainty in relation to the potential escalation of ongoing military conflicts and deteriorating US-China relations as well as technology risks such as possible service disruptions caused by key suppliers and cyber attacks.

We highlight the following emerging risks:

Geopolitical uncertainty

While this has always formed part of our analysis, it has recently become one of the most important elements to consider in weighing up the potential threats to Grupo Santander. In 2024, we considered these events:

- Potential escalation of the conflicts in Ukraine and the Middle East, which could lead to tighter monetary policy if energy prices and inflation soar.

- Potentially disruptive policies in the US (with an impact on the global economy) and Mexico following recent elections in both countries.

- China-US relations: with a possible shift in the balance of power between economic blocs, an increase in trade tensions related to technology exchange, and the situation involving Taiwan and the South China Sea.

Macroeconomic landscape

This includes threats that often arise from geopolitical events but that are not part of our central scenario and have a very low likelihood of occurrence according to our emerging risks methodology. For instance:

- Severe recession in Germany, caused by a loss of competitiveness and leadership (especially in the automotive sector), which could trigger a potential systemic recession in the EU.

- Potential increase in market volatility, which could generate a sharp deleveraging of non-bank financial institutions and lead to further price adjustments that may spill over to the real economy and the banking sector.

- Vast fiscal imbalance in the EU, political clashes among EU members, and slowdown or even regression in EU integration, which could lead to loss of confidence and higher risk premiums.

Macroeconomic and geopolitical uncertainty can potentially hinder our growth and profitability and diminish asset quality due to a slowdown in one or many of our markets, as well as impacting on our customers and the recoverability of loans and increasing our losses or additional provisioning needs.

In Grupo Santander, we carry out a proactive risk management and have robust risk policies and procedures to keep our risk profile within the limits set in our risk appetite statement. This, coupled with our geographical and business diversification, makes us more resilient to macroeconomic and geopolitical risk.

In addition, the constant reinforcement of mitigating measures helped reduce the potential severity of these risks. We performed these actions in 2024:

- Held frequent monitoring meetings, including special situation forums (where necessary) to review risk profile, with the spotlight on key indicators for its monitoring and control.

- Definition and implementation of playbooks to pursue a quick, forward-looking and proactive response to challenging circumstances.

- Adjusted limits and exposures in relation to our risk appetite (where necessary) and updated internal sovereign risk ratings.

- Continuous monitoring of the US's, China's and the EU's decisions on international trade and tariffs.

- Held asset-liability committee (ALCO) and market committee meetings to monitor structural, interest rate and FX risk, including the coverage of our capital ratios in all major currencies and, where necessary, adjusting our limits and exposure so that we remain within our risk appetite.

Growing legislative and regulatory pressure

An increase in requirements due to new laws and amendments or the extension of legislative measures in the markets where we operate could threaten our capitalization and solvency objectives, stymie profitability, and undermine our ability to extend credit. An example of this would be the potential extension of the windfall tax on banks in Spain.

The key mitigation measures for this risk are:

- Initiatives included under the capital plan such as mobilizing assets through securitization, portfolio sales and other means; and

- Multidisciplinary working groups in cooperation with banking associations, regulators and other stakeholders to anticipate and mitigate the possible outcomes of these measures.

Risks related to generative artificial intelligence (AI)

AI is a technology that aims to create intelligent systems that can operate with certain autonomy to generate results (such as predictions, recommendations or decisions) with impact in both physical and virtual environments.

The major AI risks relate to a potential decline in equality (algorithmic bias), privacy and data processing, design errors and cyber risk. We also consider climate risk due to the high computational intensity of these technologies.

We are firmly committed to promoting the transformation of the financial sector through the responsible use of AI that prioritizes transparency and customer protection.

That’s why we set potential AI use cases under our risk management framework. Moreover, we have an AI policy with clearly defined roles and responsibilities, which aligns with the Group's risk appetite and the EU AI Act. Additionally, it is necessary to consider the progressive entry into force of the AI Regulation in the EU (AI Act), which will have a high regulatory impact on the implementation and use of AI systems classified as high-risk. Our generative AI platform makes sure that the developments we undertake in the Group comply with our internal security and ethical control policies.

Potential disruption of a critical ICT supplier

Digitalization is increasing banks’ reliance on information and communication technology (ICT) and making them particularly vulnerable to potential disruptions and associated threats. This could result in the loss of data and disruption to our business.

Some of Grupo Santander's mitigating measures in this regard are comprehensive and strictly governed due diligence prior to ICT supplier onboarding, including supplier certification and regular monitoring and review; and exit strategies and business continuity plans for potential failures or disruptions, which we test regularly.

Central bank digital currencies (CBDC) and disintermediation risk

The digital versions of fiduciary currencies issued by central banks (central bank digital currency — CBDC), especially those that target retail customers, could impact on financial system stability if they replace traditional current accounts, which in turn could affect commercial banks' volume, structure and cost of funding. To mitigate CBDC risk, the Group:

- Actively participates in the debate on CBDC with domestic and international authorities to explain the risks to financial stability and propose solutions to mitigate them.

- Monitors central banks' CBDC projects to analyse their impact on the business or the possibility of developing new services for our customers to mitigate impact.

- Sets up multidisciplinary working groups with banking associations, think tanks, regulators and others to foresee and escalate, if necessary, potential CBDC impacts.

Risk of suffering a severe cyber attack

Our goal is to achieve a cyber-resilient organization capable of withstanding large-scale cyberattacks that could disrupt the normal functioning of the bank. In line with new regulatory requirements, the objective is to enhance all necessary capabilities to preserve the security of networks and information systems that underpin the continuous provision of financial services and their quality, even in the face of significant disruptions.

To achieve this, we have a governance and control framework that allows us to measure and monitor the cyber risk profile and its control environment, with the aim of maintaining a high level of digital operational resilience and an effective and prudent management of ICT-related risks.

1.2 Key risk types (page 505)

Grupo Santander has suitable procedures in place to identify, measure, manage, control and report the risks that we are exposed to in our day-to-day operations and under special circumstances.

The Risk and Compliance functions follow internal regulations for each type of risk. These regulations define the processes, tools, responsibilities, roles, and governance requirements necessary to establish our control environment.

Our corporate risk framework defines each key risk type. They are (click on each one type for more details):

Credit risk is the risk of financial loss when a customer or counterparty whom Santander has financed or has a contractual obligation with defaults or loses creditworthiness. It includes counterparty risk, country risk and sovereign risk and generates the most exposure and capital consumption.
Market risk comes from movements in interest rates, inflation, foreign exchange, equity prices, credit spread, commodity prices, volatility, liquidity risk from products and the balance sheet, and other market variables that can affect transaction performance. It also includes trading and structural risk.
Liquidity risk occurs if the bank is unable to meet payment obligations promptly or would do so at a high price. Losses may result from a forced asset disposal and a cash flow imbalance.
Structural risk is the risk that market or balance sheet movements will change the value or profit generation of assets or liabilities in the banking book. It covers insurance and pension risks, as well

as the risk that Santander will not have sufficient capital (in terms of quantity or quality) to meet internal business targets, regulatory requirements or market expectations.
Our operational risk and control model establishes the core components needed to manage and control this risk properly throughout the cycle according to advanced regulatory standards and best practices. Execution of the model supports the correct setting and update of management priorities as well as the definition and implementation of internal controls to mitigate risk throughout the organization.
Financial crime risk arises from acts or the use of the Group's means, products and services for criminal or illegal activities.
Model risk: A model is a system, approach or a quantitative method that applies statistical, economic, financial or mathematical theories, techniques and assumptions to transform data into quantitative estimates. We use models mainly for credit scoring/rating, performance, capital and provisioning, market and structural risk, operational, compliance and liquidity risk, and financial accounting and control, among others. The use of models entails model risk, which is defined as the potential negative consequences of decisions based on poorly developed, poorly implemented or incorrectly used models. Model risk can lead to financial losses, inappropriate business or strategic decisions or damage to the Group's operations.
Reputational risk is predominantly rooted in stakeholders' perception of the bank in every market where we operate. Reputational risk can arise from multiple sources: from business or business support activities, as a consequence of other risks, from the economic, social and political environment, or from events related to our competitors. Our reputation could also suffer if we are the subject of negative coverage in the media, whether merited or not.
Strategic risk is the risk of loss or damage arising from strategic decisions or their poor implementation, or the inability to adapt to a changing environment, which may impact the medium- and long-term interests of our key stakeholders.
ESG risk factors: Given the cross-cutting impact that ESG (environmental, social and governance) risk factors can have on the different types of risks that exist in different time horizons, our ESG risk management requires a comprehensive view to be able to manage and control these risks correctly, align with the Group’s sustainability strategy, and meet regulatory requirements and supervisory expectations.

Directors' responsibility statements (page 866)

Responsibility statement with respect to the consolidated annual accounts:

Pursuant to Article 253, section 1 of the revised Spanish Companies Act (Ley de Sociedades de Capital), the board of directors of Banco Santander, S.A. draws up the consolidated financial statements (comprising the consolidated balance sheet, income statement, statement of recognized income and expense, statement of changes in total equity, statement of cash flows and the notes to the consolidated financial statements) and the consolidated directors' report for the 2024 fiscal year in eXtensible HyperText Markup Language (XHTML) format and, with respect to the main consolidated financial statements and the notes to the consolidated financial statements, with tags in the standard eXtensible Business Reporting Language (XBRL), all of which conforms to the single electronic reporting format required under Directive 2004/109/EC and Delegated Regulation (EU) 2019/815.

The directors of Banco Santander, S.A., listed below with an indication of their respective positions, declare that, to the best of their knowledge, the company's consolidated financial statements for the 2024 financial year were drawn up in accordance with the applicable accounting principles and give a true and fair view of the assets, liabilities, financial position and profit or loss of Banco Santander, S.A. and of the undertakings included in the consolidation taken as a whole, and that the consolidated directors' report includes a fair review of the development, performance and position of the company and of the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Boadilla del Monte (Madrid), 25 February 2025

ANA PATRICIA BOTÍN-SANZ DE SAUTUOLA Y O'SHEA	HÉCTOR BLAS GRISI CHECA
Chair	Chief Executive Officer
GLENN HOGAN HUTCHINS	JOSÉ ANTONIO ÁLVAREZ ÁLVAREZ
Vice Chair	Vice Chair

MEMBERS:

HOMAIRA AKBARI

JUAN CARLOS BARRABÉS CÓNSUL

FRANCISCO JAVIER BOTÍN-SANZ DE SAUTUOLA Y O'SHEA

SOL DAURELLA COMADRÁN

HENRIQUE MANUEL DRUMMOND BORGES CIRNE DE CASTRO

GERMÁN DE LA FUENTE ESCAMILLA

GINA LORENZA DÍEZ BARROSO AZCÁRRAGA

LUIS ISASI FERNÁNDEZ DE BOBADILLA

BELÉN ROMANA GARCÍA

PAMELA ANN WALKDEN

ANTONIO FRANCESCO WEISS

Responsibility statement with respect to the individual annual accounts:

Pursuant to Article 253, section 1 of the revised Spanish Companies Act (Ley de Sociedades de Capital), the board of directors of Banco Santander, S.A. draws up the individual financial statements (comprising the balance sheet, the income statement, the statement of recognized income and expense, the statement of changes in total equity, the statement of cash flows and the notes to the individual financial statements) and the individual directors' report for the 2024 fiscal year in eXtensible HyperText Markup Language (XHTML) format, which conforms to the single electronic reporting format required under Directive 2004/109/EC and Delegated Regulation (EU) 2019/815.

The directors of Banco Santander, S.A., listed below with an indication of their respective positions, declare that, to the best of their knowledge, the company's individual financial statements for the 2024 financial year were drawn up in accordance with the applicable accounting principles and give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and that the directors' report includes a fair review of the development, performance and position of the company, together with a description of the principal risks and uncertainties that it faces.

Boadilla del Monte (Madrid), 25 February 2025

ANA PATRICIA BOTÍN-SANZ DE SAUTUOLA Y O'SHEA

Chair

HÉCTOR BLAS GRISI CHECA

Chief Executive Officer

GLENN HOGAN HUTCHINS

Vice Chair

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MEMBERS:

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BELÉN ROMANA GARCÍA

PAMELA ANN WALKDEN

ANTONIO FRANCESCO WEISS

Related Parties (page 785)

The parties related to the Group are deemed to include, in addition to its associates and joint ventures, the Bank's key management personnel (the members of its board of directors and the executive vice presidents, together with their close family members) and the entities over which the key management personnel may exercise significant influence or control.

Following below is the balance sheet balances and amounts of the Group's income statement corresponding to operations with the parties related to it, distinguishing between associates and joint ventures, members of the Bank's board of directors, the Bank's senior management, and other related parties. Related-party transactions were made on terms equivalent to those that prevail in arm's-length transactions or, when this was not the case, the related compensation in kind was recognized.

The remaining required information is detailed in notes 5 and 46.c.

EUR million

	2024			
	Associates and joint ventures	**Members of the board of directors**	**Senior Management**	**Other related parties**
Assets	**10,783**	**—**	**14**	**226**
Cash, cash balances at central banks and other deposits on demand	163	—	—	—
Loans and advances: credit institutions	407	—	—	—
Loans and advances: customers	9,750	—	14	221
Debt securities	229	—	—	5
Others	234	—	—	—
Liabilities	**3,243**	**9**	**7**	**292**
Financial liabilities: credit institutions	228	—	—	—
Financial liabilities: customers	2,810	9	7	292
Marketable debt securities	—	—	—	—
Others	205	—	—	—
Income statement	**1,776**	**—**	**—**	**4**
Interest income	508	—	—	9
Interest expense	(153)	—	—	(5)
Gains/losses on financial assets and liabilities and others	(11)	—	—	—
Commission income	1,535	—	—	1
Commission expense	(103)	—	—	(1)
Other	**4,712**	**4**	**3**	**216**
Financial guarantees granted and Others	18	3	2	64
Loan commitments and Other commitments granted	317	1	1	20
Derivative financial instruments	4,377	—	—	132

EUR million

	2023			
	Associates and joint ventures	Members of the board of directors	Senior Management	Other related parties
Assets	**10,497**	**—**	**12**	**186**
Cash, cash balances at central banks and other deposits on demand	154	—	—	—
Loans and advances: credit institutions	405	—	—	—
Loans and advances: customers	9,275	—	12	185
Debt securities	391	—	—	1
Others	272	—	—	
Liabilities	**2,480**	**14**	**5**	**150**
Financial liabilities: credit institutions	463	—	—	—
Financial liabilities: customers	1,727	14	5	150
Marketable debt securities	-	—	—	—
Others	290	—	—	—
Income statement	**1,698**	**—**	**—**	**11**
Interest income	427	—	—	9
Interest expense	(149)	—	—	(1)
Gains/losses on financial assets and liabilities and others	43	—	—	—
Commission income	1,499	—	—	3
Commission expense	(122)	—	—	—
Other	**4,189**	**3**	**2**	**1,094**
Financial guarantees granted and Others	10	2	1	861
Loan commitments and Other commitments granted	274	1	1	9
Derivative financial instruments	3,905	—	—	224

EUR million

	2022			
	Associates and joint ventures	Members of the board of directors	Senior Management	Other related parties
Assets	**10,257**	**—**	**13**	**455**
Cash, cash balances at central banks and other deposits on demand	227	—	—	—
Loans and advances: credit institutions	489	—	—	—
Loans and advances: customers	8,822	—	13	455
Debt securities	463	—	—	—
Others	256	—	—	—
Liabilities	**3,611**	**11**	**11**	**109**
Financial liabilities: credit institutions	938	—	—	—
Financial liabilities: customers	2,301	11	11	109
Marketable debt securities	—	—	—	—
Others	372	—	—	—
Income statement	**1,357**	**—**	**—**	**2**
Interest income	189	—	—	1
Interest expense	(60)	—	—	—
Gains/losses on financial assets and liabilities and others	(225)	—	—	—
Commission income	1,541	—	—	1
Commission expense	(88)	—	—	—
Other	**3,535**	**2**	**2**	**79**
Financial guarantees granted and Others	11	1	1	23
Loan commitments and Other commitments granted	201	1	1	13
Derivative financial instruments	3,323	—	—	43