

## JANUARY — SEPTEMBER 2023 RESULTS

### **Santander Portugal achieves net profit of € 621.7 million (+61.5% YoY)**

*"As shown by our results, we maintained a growth trajectory during the first nine months of the year, with solid indicators that have allowed us to keep supporting families and companies. Such support takes on added relevance in the current context of rising interest rates and high cost of living.*

*During this period, we continued growing our active customer base, as well as the number of customers who repeatedly use our digital channels, in which we have invested to improve user experience. Among other factors, such growth contributed to increased transactionality. In recent years, we have firmly invested in innovation, and in improving the quality of our service, a commitment that is materialized in an exemplary way by the diligence and excellence of our teams.*

*Santander remains committed to supporting our customers' projects, providing them with the resources they need for their decisions. In the business sphere, our focus is on energy transition processes, for which the Bank has financed over € 700 million in projects in this field, just this year.*

*We are convinced that, by doing so, we are laying the foundations for the future, which will allow us to provide the best experience to our customers, while, at the same time, generating value for our stakeholders and for society as a whole."*

*Pedro Castro e Almeida, CEO of Banco Santander Portugal*

Lisbon, October 27, 2023 — PRESS RELEASE

#### **Main Highlights**

- At the end of the first nine months of 2023, Santander Totta, SGPS achieved a **net profit of € 621.7 million**, representing a 61.5% growth compared to the € 385.1 million recorded in the same period last year.
- The commercial and digital transformation being carried out by the Bank has allowed it to keep growing the main bank customer base, by an additional 61 thousand, and of digital customers by more than 84 thousand, compared to the end of September 2022. Customer transactionality also continued to grow, by 15%, compared to the same period last year, based on the growth of cash withdrawals and payments for services with bank cards (by 2% and 44%, respectively).
- The Bank also continues to offer a diverse range of savings and protection solutions. In the first nine months of the year, net subscription of investment funds and financial insurance amounted to about € 400 million, while, in terms of protection, more than 147 thousand insurance policies were sold.
- **Credit to customers<sup>1</sup> reached € 44.9 billion**, a 3.4% growth compared to the figure for the same period in 2022, with the Bank maintaining its support to the most productive sectors of the economy. As far as individuals, the context of higher interest rates is contributing to a deleveraging of the balance sheet,

---

<sup>1</sup>Total loans to customers (gross).

with the early repayment of credits, especially of housing loans. The **mortgage loan** portfolio recorded a year-on-year reduction of 4.0%.

- **Customer resources** amounted to € 43.2 billion, representing a 7.5% reduction year-on-year, largely explained by the evolution of deposits, which fell by 9.7%, along with the aforementioned dynamic of early repayment of credits, as well as investment in off-balance sheet resources, which grew 4.2% compared to September 2022.
- The **efficiency ratio stood at 27.5%** (a 11.5 p.p. decrease compared to September 2022).
- The **fully implemented CET1 ratio** stood at 16.3% (-1.0 p.p. year-on-year).
- **Euromoney** magazine distinguished Santander as the "**Best Bank in Portugal**," within the scope of the *Euromoney Awards for Excellence 2023*, highlighting the Bank's excellent results in 2022. The North American Magazine **Global Finance** has also awarded Santander the title of "**Best Bank in Portugal**," within the scope of "*The World's Best Banks 2023*," distinguishing financial institutions for the results achieved, the variety of services offered, and their credibility before their customers.
- **World Finance** Magazine, within the scope of the *World Finance Banking Awards 2023*, distinguished Santander as the "**Best Retail Bank**" in Portugal, noting that this year's winners represent the banks "that are in the best position to set an example and take up a leading role during this uncertain macroeconomic period."
- Santander was once again distinguished as the **No. 1 ESG Bank** in Portugal, taking the first position in the sector in the **Merco ESG 2022** ranking. In the human resources area, it was certified as **Top Employer 2023** in Portugal, by the *Top Employers Institute*.
- In terms of **sustainable financing**, the Bank keeps a relevant presence in financing projects to support the climate transition of its individual customers and companies, in an amount of more than € 700 million.
- Santander Portugal has the best ratings in the sector. Banco Santander Totta's current long-term debt ratings compared to the levels of the Portuguese Republic are as follows: Fitch — A- (Portugal — A-); Moody's — Baa1 (Portugal — Baa2); S&P — BBB+ (Portugal — BBB+); and DBRS — A (Portugal — A).

## Key Indicators

### Santander Totta, SGPS

<b>BALANCE SHEET AND RESULTS (million euro)</b>	<b>Sep-23</b>	<b>Sep-22</b>	<b>Var.</b>
Total Net Assets	57,535	61,355	-6.2%
Loans and advances to customers (gross) (1)	44,926	43,461	+3.4%
Customers' Resources	43,221	46,732	-7.5%
Net Interest Income (without dividends)	1,033.0	547.9	+88.5%
Net Fees	345.7	358.6	-3.6%
Net Income from Banking Activities (2)	1,407.6	933.6	+50.8%
Operating costs	-387.4	-364.5	+6.3%
Net Operating Income	1,020.1	569.1	+79.3%
Income before taxes and non-controlling interests	913.9	558.3	+63.7%
Consolidated net income*	621.7	385.1	+61.5%

<b>RATIOS</b>	<b>Sep-23</b>	<b>Sep-22</b>	<b>Var.</b>
ROE	21.7%	11.1%	+10.6 p.p.
Efficiency ratio	27.5%	39.0%	-11.5 p.p.
CET I ratio (fully implemented)	16.3%	17.3%	-1.0 p.p.
Non-Performing Exposure Ratio (3)	1.6%	2.0%	-0.4 p.p.
Non-Performing Exposure coverage ratio	93.2%	84.8%	+8.4 p.p.
Cost of credit (4)	0.14%	-0.09%	+0.23 p.p.

<b>Other Data</b>	<b>Sep-23</b>	<b>Sep-22</b>	<b>Var.</b>
Employees in Portugal	4,662	4,674	-12
Total Branches in Portugal	332	340	-8

<b>RATING - Banco Santander Totta, SA</b>	<b>Sep-23</b>
FitchRatings	A-
Moody's	Baa1
Standard & Poor's	BBB+
DBRS	A

(1) Total loans to customers (gross)

(2) Includes the costs with the Resolution and Deposit Guarantee Funds

(3) In accordance with to EBA criteria

(4) 12 month average

## **Business Environment**

After a more vigorous growth rate in the first half of 2023, global economic activity is starting to weaken, reflecting China's more moderated recovery. The business activity in the main advanced economies remained stronger than expected, reflecting the greater resilience of the labour market, while the Chinese economy has increased its pace of deceleration, as a result of instability in the residential real estate sector, which has penalized the consumption-driven recovery. Despite the decrease in the inflation rate, supported by the reduction in the prices of energy and food products, inflationary pressures on core inflation (which excludes energy and food products) still persist. This situation has required greater supervision on the part of central banks regarding the risks of inflationary pressures arising from the evolution of wages, and despite much tighter financial conditions, resulting from the faster rise in reference interest rates.

**In the Euro Area, the economy stagnated during the first half of 2023, with differences between countries.** The duality of growth drivers reflects different dynamics between sectors of activity, namely with the services sector growing, while the industrial and construction sectors follow a downward trajectory. Economic growth in Q3 remained weak, as a result of the prolonged weakness of manufacturing activity, and a slowdown in services. Employment shows signs of moderated growth in Q3, as a result of the resilience of economic activity seeming to be dissipating, although the economy continues to operate at full employment. The greater contribution of unit labour costs to internal inflationary pressures represents an increased risk factor, justifying the increase of reference rates (by an additional 25 bps, to 4.5%) last September.

**Business activity in Portugal is expected to be characterized by an extension of the stagnation trend seen in Q3'2023.** The weakening of economic activity reflects the slowdown in external demand, the cumulative effects of the increased cost of living, and the tighter monetary policy. However, the initial resilience of economic activity remains supported by the high level of employment, in a context in which the demand for work exceeds the supply of labour available to work and, consequently, puts upward pressure on wages. The increased wage bill has offset the deterioration in purchasing power, allowing households' disposable income to evolve in line with the increase in inflation and, consequently, making domestic demand less sensitive to variations in consumer prices.

**The current global economic context continues to be characterized by higher risks on economic growth arising from greater, synchronised structural and cyclical risks.** Structural risks related to the pandemic, to the war in Ukraine, to geoeconomic fragmentation, and to the intensification of the conflict in the Gaza Strip; plus the cyclical risks associated with the tight monetary policy to fight inflation, to the reduction of public support, and to the intensification, and greater frequency of extreme meteorological phenomena, have contributed to greater uncertainty on the prospects for global economic growth, as well as to the risk of a more pronounced slowdown of business activity in 2024.

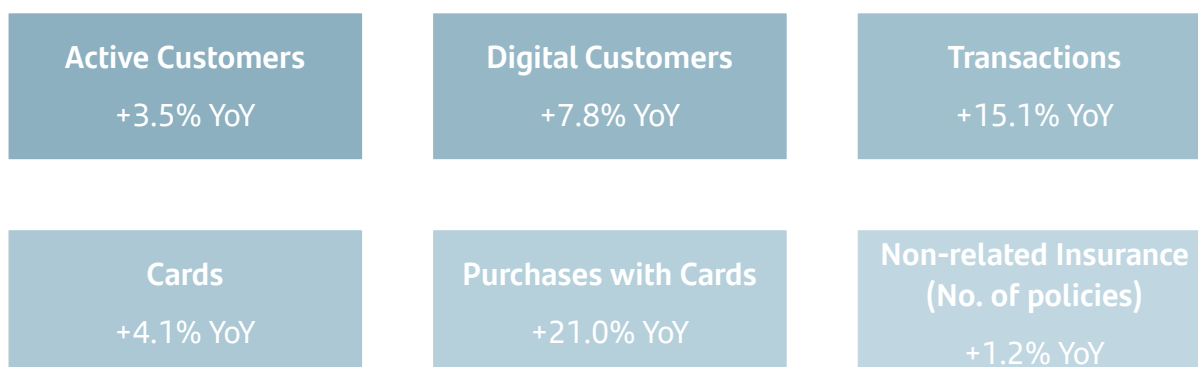
**The risks of a recession scenario in the Euro Area are still signalled by the inverted yield curve, with 2-year yields recording levels above those of 10-year yields.** Public debt yield rates in the Euro Area continue their upward trend, with the German 10-year yield standing at 2.885%, and the 2-year yield at 3.247% (as of October 17, 2023). The Portuguese 10-year sovereign rate stood at 3.609%, an upward trend compared to the beginning of the year. The difference compared to the German sovereign is about 72 bps, compared to the 100 bps recorded on December 30, 2022.

In this complex context, budget execution aimed at reducing the public debt ratio allowed for a further improvement in Portugal's risk rating by DBRS, to A (stable), and by Fitch to A- (stable), while the other ratings remained the same, namely Baa2 (positive), by Moody's, and BBB+ (positive) by S&P.

## Business Activity

Throughout the first nine months of 2023, Santander Portugal pursued its **strategy of growing its commercial and transactional relationship with its customers**, leveraged by its purpose of contributing to the progress of people and companies.

As a result, the Bank continued to grow its **active customer** base, which increased by approximately **61 thousand new customers** compared to the end of Q3'2022. The growth of **digital customers** is associated with this evolution, who are progressively using the Bank's digital channels more and more, and have reached **1.16 million customers**, (+8% compared to the same period last year), which made about one million daily accesses to the Bank (a year-on-year increase of 33%).



The growth of the Bank's customer base was accompanied by greater relationships, materialized in the growth of the main transaction metrics during the first nine months of the year, leveraged by the increase — by more than 4% — in the number of debit and credit cards made available by the Bank. As a result, the Bank's customers made more than 73 million payments and transfers, a 15% increase compared to the same period in 2022, and made more than 34 million cash withdrawals, an increase of almost 2% year-on-year.

Support for household and business projects remains as a priority for the Bank, which has continued to mobilize its balance sheet quite significantly, especially in a context in which support in terms of liquidity has gained greater relevance, with an average monthly volume close to € 1.5 billion, through the origination and renewal of mortgage loans, personal and corporate credit operations, and credit, liquidity, and treasury management instruments.

Likewise, the Bank remains focused on supporting companies in their energy transition processes, as well as on their internationalization. In the first nine months of the year, the Bank provided financing for climate transition projects in an amount exceeding € 700 million.

In terms of Trade Finance, the strength of its market share was distinguished for the 4<sup>th</sup> consecutive year by *Euromoney* magazine, which awarded Santander as the best *Trade Finance* bank operating in Portugal, having won in the *Best Service* and *Market Leader* categories, as a result of the evaluation made by its international business customers. In terms of operations, those related to ESG criteria stand out, namely in the photovoltaic and biofuel sectors.

In terms of **customer resources**, Santander's strategy was aimed at providing a differentiated, comprehensive offer, with a wide range of investment solutions in investment funds and financial insurance, in addition to traditional deposits. In the first nine months of 2023, customers channelled about € 400 million to investment funds and financial insurance (in terms of net subscriptions), resulting in a portfolio growth of 4.2% year-on-year, to € 4,050 million in investment funds, and € 3,678 million in financial insurance and other resources. In

terms of traditional deposits, the Bank favoured digital channels for their commercialization, with the provision of differentiated solutions in terms of liquidity and term.

However, as a reaction to the continued increase of reference interest rates by the European Central Bank, which lasted through Q3'2023, customers continued to repay their loans in advance, particularly mortgage loans, but according to a trend that extended to consumer credits and loans for other purposes, also at household level.

In terms of **personal and real protection**, Santander continues to provide a diversified offer aimed at fostering tranquillity and comfort among its customers, in terms of protection insurance. In the first nine months of the year, more than 147 thousand policies were created, highlighting the dynamics of the non-related insurance portfolio, with a 1.2% growth, which made it possible to offset the lower growth of the credit-linked insurance portfolio, influenced by the dynamics of the mortgage loan portfolio.

The company insurance offer was reinforced, making Auto Insurance available for credit processes such as Leasing and LTR. In the private segment, the offer of insurance associated with Mortgage Loans was reinforced by offering Vila Galé Vouchers to new customers.

In its constant endeavour to improve service quality and to make its offer available on digital channels, the Bank has maintained a constant effort to transform and innovate, with continuous investment in processes and systems, requiring strict control over operating and infrastructure costs.

## Results

At the end of September 2023, Santander Totta, SGPS (referred to as the "Bank" or "Santander Portugal" in this Press Release) achieved a net profit of € 621.7 million, representing a year-on-year growth of 61.5% compared to the € 385.1 million it achieved in the same period last year.

### Main Highlights:

Net income from banking activities<sup>1</sup>, in the amount of € 1,407.6 million, recorded a year-on-year growth of 50.8%, as a result of the growth of net interest income (+88.5%), which made it possible to offset the dynamics of net fees, which decreased by 3.6%, to € 345.7 million, in the same period. Results from insurance activity amounted to € 14.0 million.

Operating Costs, amounting to € 387.4 million, recorded a year-on-year growth of 6.3%, largely reflecting the context of high inflation, meaning that operating income amounted to € 1,020.1 million (+79.3% compared to the same period in 2022).

The efficiency ratio dropped by 11.5 p.p. year-on-year, to 27.5%.

Net interest income, in the amount of € 1,033.0 million, increased by 88.5% compared to the same period in 2022, reflecting the effects of higher interest rates, which the European Central Bank has increased by 450 bps, since July 2022. The repricing of the credit portfolio is not linear, considering the different underlying reference rates in, for example, mortgage credit. The very competitive environment that continues, within a context of high liquidity in the banking system, continued to be translated into a dynamic in which interest rates on active operations did not fully follow the evolution of market rates, putting downward pressure on credit spreads.

---

<sup>1</sup> Net income from banking activities includes charges with Resolution Funds, and with the Deposit Guarantee Fund

Net fee income recorded a 3.6% decrease compared to the same period in 2022, down to € 345.7 million, reflecting the context of higher interest rates, which translated into a decrease in the volumes of new credit production compared to 2022, in addition to various legal amendments, which have prevented fees from being charged on a number of banking services. The dissipation of the effects of the post-pandemic recovery, which influenced the fees growth in 2022, namely of transactional fees, has also contributed to this dynamic.

Results from insurance activities amounted to € 14.0 million, and results from financial operations reached € 19.6 million. As a result, net income from banking activities recorded a 50.8% growth year-on-year, to € 1.408 billion.

Operating costs, in the amount of € 387.6 million, recorded a year-on-year growth of 6.3%, reflecting, on the one hand, the salary update implemented in 2023 (contributing to a 6.6% increase in staff costs compared to the same period in 2022) and, on the other hand, the impacts of the context of high inflation on general and administrative costs, which rose by 8.4% year-on-year. Depreciations recorded a 3.7% decrease in this same period.

Cost control — benefiting from the digital transformation process that has been carried out in recent years — allowed new gains in terms of efficiency, the ratio of which decreased by 11.5 p.p. compared to the same period in 2022, down to 27.5%.

The complex economic context of persistent inflation, structurally higher interest rates, and geopolitical uncertainty, required that the Bank keeps pursuing a conservative policy of monitoring credit risks, materialized in net impairments of financial assets at amortized cost in the amount of € -61.3 million. Until the end of September, and despite the above described context, the quality of the credit portfolio remained high, still without significant impacts, while the NPE ratio dropped to 1.6% (a 0.4 p.p. decrease year-on-year).

Net provisions and other results, in the amount of € 44.9 million (a 116.1% increase compared to the same period in 2022) reflect the higher charges related to the extraordinary contribution on the banking sector, and the additional of solidarity, as well as the impacts of the disposal of current assets held for sale carried out in the same period of 2022.

Earnings before taxes and non-controlling interests increased by 63.7% year-on-year, to € 913.9 million.

## Balance Sheet and Business

At the end of September 2023, the loan portfolio (gross) amounted to € 44.9 billion, recording a growth of 3.4% compared to the end of September 2022.

Throughout 2023, the Bank has continued to support the progress of people and companies, namely by maintaining a high monthly balance sheet mobilization volume, responding to customers' requests for liquidity and treasury management solutions.

The mortgage loan portfolio amounted to € 22.1 billion, recording a 4.0% decrease compared to the end of September 2022, reflecting the effects of early repayment of credits, in line with the dynamics observed at market level, while credit origination recovered in Q3, although still remaining below the levels observed in the same period last year. Consumer credit also recorded a year-on-year 4.0% decrease, to € 1.75 billion.

Credit to companies and institutionals grew by 13.9% compared to the end of September 2022, to € 20.7 billion. The Bank has been particularly active in supporting its customers' projects, including several refinancing operations for larger companies, a field in which the Bank has a specialized area with extensive experience. Additionally, in terms of liquidity and treasury management solutions, including support for international trade, the Bank has maintained significant levels of activity, above those observed in 2022, while in other segments the trend has been towards lower demand for medium-and long-term credit solutions.

LOANS (million euro)	Sep-23	Sep-22	Var.
Loans to individuals	24,193	25,259	-4.2%
<i>of which</i>			
Mortgage	22,144	23,062	-4.0%
Consumer	1,753	1,825	-4.0%
Loans to corporates and institutionals	20,733	18,201	+13.9%

(1) Total loans to customers (gross)

The Non-Performing Exposure (NPE) ratio, calculated according to EBA criterion (in relation to balance sheet exposure), stood at 1.6% in September 2023, a 0.4 p.p. reduction compared to the same period last year, with the respective coverage standing at 93.2% (+8.4 p.p.).

Customer resources amounted to € 43.2 billion, a 7.5% decrease compared to the same period last year, mainly explained by the evolution of customer deposits, which stood at € 35.4 billion (-9.7% compared to the end of September 2022), associated with the early repayment of credits by customers, as well as by the diversification of resources, which materialized in greater number of applications by customers in off-balance sheet resources, which grew by 4.2% year-on-year, and by 6.3% compared to the end of 2022.

RESOURCES (million euro)	Sep-23	Sep-22	Var.
<b>Customers' resources</b>	<b>43,221</b>	<b>46,732</b>	<b>-7.5%</b>
Deposits	35,494	39,314	-9.7%
Off-balance sheet resources	7,728	7,418	+4.2%
Investment funds	4,050	3,693	+9.6%
Insurance and other resources	3,678	3,725	-1.3%



## Liquidity and Solvency

Santander Portugal continued to execute its liquidity management strategy aimed at maximizing the liquidity cushion available to face adverse events. At the end of September 2023, Santander maintained its solid liquidity position, ending the period with a liquidity reserve of € 17.3 billion, a € 1.3 billion increase compared to the end of 2022, as a result of having issued a covered bond, in September, in the amount of € 850 million. Exposure to the Eurosystem stood at € -3.4 billion (a surplus position).

The Bank has adapted its financing structure to the market context. Financing obtained from the European Central Bank remained exclusively in long-term operations, entirely through the TLTRO III financing programme, in the amount of € 0,7 billion.

Short-term funding, through repurchase agreements, amounted to € 3.6 billion at the end of the period.

In terms of long-term financing, in addition to the operation with the ECB, Santander Portugal ended Q3'2023 with about € 1.1 billion in securitisations, € 3.6 billion in covered bonds, € 1.1 billion in senior HoldCo issuances, € 0.2 billion in subordinated issuances, € 0.3 billion in Credit Linked Notes, and about € 0.8 billion in financing with repurchase agreements.

The LCR (*Liquidity Coverage Ratio*), calculated in accordance with CRD IV rules, stood at 138.7%, thus meeting the regulatory requirements on a fully-implemented basis.

The Common Equity Tier 1 (CET1) ratio, calculated in accordance with CRR/CDR IV rules, rose to 16.3% (fully implemented) in August 2023, a 1.0 p.p. reduction over the same period in 2022, associated with the decision of the Board of Directors of Santander Portugal of resuming the distribution of dividends in 2022, since the recommendation of the European Central Bank (ECB/2020/19), of March 27, 2020, on shareholder remuneration has been lifted. The Bank's solvency is also clearly supported by its recurring capacity for generating organic capital, as well as by the management of risk-weighted assets.

The Bank still has very high capitalization levels, clearly above the minimum requirements set by the ECB under the SREP (in 2023, CET1 - 8.344%, Tier 1 - 10.125%, and Total - 12.5%, fully implemented).

In terms of MREL, as of the end of September 2023, Santander Totta SGPS recorded a ratio of 27.9%, above the fully implemented requirement of 24.17% (including the 3% Combined Buffer Requirement (CBR) of TREA), required as of January 1<sup>st</sup>, 2024.

<b>CAPITAL (fully implemented) (million euro)</b>	<b>Sep-23</b>	<b>Sep-22</b>
Common Equity Tier I	2,485	2,671
Tier I Capital	2,885	3,071
Total Capital	3,158	3,133
<b>Risk Weighted Assets (RWA)</b>	<b>15,272</b>	<b>15,428</b>
CET I ratio	16.3%	17.3%
Tier I ratio	18.9%	19.9%
Total Capital Ratio	20.7%	20.3%

## External Recognition

During the year, Santander was once again distinguished for its financial performance, both globally and in various business segments. *Euromoney* distinguished Santander as the “**Best Bank in Portugal**”, within the scope of the *Euromoney Awards for Excellence 2023*, recognising the Bank’s excellent results in 2022. The North American magazine *Global Finance* also awarded Santander the title of the “**Best Bank in Portugal**” within the scope of “*The World’s Best Banks 2023*,” which distinguishes financial institutions for the results they achieved, for the variety of services they offer, and for their credibility with customers.

*World Finance* magazine, within the scope of the *World Finance Banking Awards 2023*, distinguished Santander as the “**Best Retail Bank**” in Portugal, noting that this year’s winners represent the banks “that are in the best position to set an example and take up a leading role during this uncertain macroeconomic period.”

Santander was awarded by *Global Finance* magazine, for the second consecutive year, as the “**Best Bank for SMEs**” in Portugal, within the scope of the *SME Bank Awards 2023*.” This award, which is already in its second edition, distinguishes the financial institutions that best respond to the needs of SMEs in their markets, recognizing the support provided, and the quality of the services offered.

For its part, *Euromoney* magazine distinguished Santander, for the fourth consecutive year, as the “**Best Trade Finance Bank in Portugal**”, winning in the “**Market Leader**” and “**Best Service**” categories.

The same publication also distinguished Santander as the “**Best International Private Banking**” in Portugal, awarding this segment of the Bank for the 12<sup>th</sup> consecutive year. *World Finance* also distinguished Santander as the “**Best Private Banking**” in Portugal, this publication also distinguished Santander with the “**Best Pension Fund**” award in the country.

For the second consecutive year, Santander was distinguished as the **No. 1 Bank in ESG in Portugal**, taking the first position in the sector in the Merco ESG 2022 ranking. The study evaluated the companies that, last year, best complied with environmental, social, and governance factors (ESG).

In the field of human resources, Santander was certified as **Top Employer 2023** in Portugal, by the *Top Employers Institute*, which distinguishes the companies with the best practices in this matter.

In the *Corporate and Investment Banking* business, Santander Portugal won, for the 4<sup>th</sup> consecutive year, in the **Settlement & Custody** category of the *Euronext Lisbon Awards 2023*.

In the *Efficacy Awards*, promoted by the Portuguese Association of Advertisers (**APAN**), Santander Laboratory — the campaign to promote the Bank’s health insurance, developed by the advertising agency Plot — won gold in the “**Brand Content & Entertainment**” category.

At Group level, Santander ranked among the **most sustainable banks in the world** in the *Dow Jones Sustainability Index 2022*, and among the top three in Europe.

At the beginning of September, it was voted the “**most innovative Bank in the world**” by *The Banker* magazine, which rewarded the successful implementation of the Gravity digital platform. And at the end of the month, it was included in Fortune magazine’s “**Change the World 2023**” list, as one of the companies that contribute the most to making the world a better place, appearing as the best positioned bank in the ranking.

**Santander Totta, SGPS**

<b>BALANCE SHEET (million euro)</b>	<b>Sep-23</b>	<b>Sep-22</b>	<b>Var.</b>
<b>Cash, cash balances at central banks and other demand deposits</b>	4,700	10,176	-53.8%
Financial assets held for trading, at fair value through profit or loss, and at fair value through other comprehensive income	9,028	8,405	+7.4%
Financial assets at amortised cost	42,405	41,090	+3.2%
Investments in subsidiaries, joint ventures and associates	70	109	-36.0%
Tangible assets	414	468	-11.6%
Intangible assets	36	37	-1.7%
Tax assets	311	322	-3.6%
Non-current assets held for sale	43	14	+198.4%
Other assets	530	734	-27.8%
<b>Total Assets</b>	<b>57,535</b>	<b>61,355</b>	<b>-6.2%</b>
Financial liabilities held for trading	1,187	438	+170.9%
Other financial liabilities mandatory at fair value through profit or loss	2,825	2,861	-1.3%
Financial liabilities at amortised cost	47,916	52,635	-9.0%
Resources from Central Banks and Credit Institutions	5,822	8,140	-28.5%
Customer deposits	35,494	39,314	-9.7%
Debt securities issued	6,252	4,676	+33.7%
Other financial liabilities	349	505	-30.8%
Provisions	150	171	-12.3%
Technical provisions	573	642	-10.7%
Tax liabilities	414	325	+27.4%
Other liabilities	622	708	-12.2%
<b>Total Liabilities</b>	<b>53,687</b>	<b>57,781</b>	<b>-7.1%</b>
Share capital attributable to ST SGPS shareholders	3,847	3,573	+7.7%
Non controlling interests	1	1	+10.6%
<b>Total Shareholders' Equity</b>	<b>3,848</b>	<b>3,574</b>	<b>+7.7%</b>
<b>Total Shareholders' Equity and Total Liabilities</b>	<b>57,535</b>	<b>61,355</b>	<b>-6.2%</b>

**Santander Totta, SGPS**

<b>CONSOLIDATED INCOME STATEMENTS* (million euro)</b>	<b>Sep-23</b>	<b>Sep-22</b>	<b>Var.</b>
<b>Net interest income</b>	<b>1,033.0</b>	<b>547.9</b>	<b>+88.5%</b>
Income from equity instruments	1.7	3.7	-55.0%
Results from associates	12.6	17.1	-26.3%
Net fees	345.7	358.6	-3.6%
Other operating results	-18.9	-32.8	-42.3%
Insurance activity	14.0	8.3	+67.9%
<b>Commercial revenue</b>	<b>1,388.0</b>	<b>902.9</b>	<b>+53.7%</b>
Gain/losses on financial assets	19.6	30.7	-36.2%
<b>Net Income from Banking Activities (1)</b>	<b>1,407.6</b>	<b>933.6</b>	<b>+50.8%</b>
Operating costs	-387.4	-364.5	+6.3%
Staff expenses	-209.9	-196.9	+6.6%
Other Administrative Expenses	-144.3	-133.1	+8.4%
Depreciation	-33.2	-34.5	-3.7%
<b>Net operating Income</b>	<b>1,020.1</b>	<b>569.1</b>	<b>+79.3%</b>
Impairment (net) of financial assets at amortised cost	-61.3	10.0	-
Net provisions and other results	-44.9	-20.8	+116.1%
<b>Income before taxes and non-controlling interests</b>	<b>913.9</b>	<b>558.3</b>	<b>+63.7%</b>
Taxes	-292.0	-173.1	+68.7%
Non-controlling interests	-0.2	-0.1	+65.4%
<b>Consolidated net income</b>	<b>621.7</b>	<b>385.1</b>	<b>+61.5%</b>

(1) Includes the costs with the Resolution and Deposit Guarantee Funds

(\*) Not audited

**Santander Totta, SGPS**

In accordance with the definition contained in instructions 16/2004 of the Bank of Portugal with the changes in instruction 6/2018

	<b>Sep-23</b>	<b>Sep-22</b>	<b>Var.</b>
<b>Profitability</b>			
Income before taxes and MI/Average net assets	2.1%	1.2%	+0.9 p.p.
Net income from banking activity/Average net assets	3.2%	2.2%	+1.0 p.p.
Income before taxes and MI/Average equity	32.2%	17.9%	+14.3 p.p.
<b>Efficiency</b>			
Operating expenses/Net income from banking activity	27.5%	39.0%	-11.5 p.p.
Staff expenses/Net income from banking activity	14.9%	21.1%	-6.2 p.p.
<b>Transformation</b>			
Credit (net)/Deposits	124.5%	108.3%	+16.2 p.p.