

RESULTS JANUARY – JUNE 2023

Santander Portugal achieves net profit of € 333.7 million (+38.3% YoY)

"The results we are presenting today are very positive and are the result of a continuous transformation of our business model, which has allowed us to improve operational efficiency and provide a superior experience to our customers.

The first semester was, as expected, quite challenging. Despite the Portuguese economy showing signs of growth, high inflation and the context of high interest rates keep impacting the daily lives of Portuguese families and companies, and setting the course for banking activity.

We remain committed to supporting our customers at the slightest sign of difficulty, proactively offering them the best solutions for each case. And we maintain our firm commitment to financing the economy, which is only possible with a solid, profitable bank, as we have been demonstrating all along.

This trajectory has earned the trust of our customers, which makes us feel very proud — in the first six months of the year, we increased our active (+4%) and digital (+12%) customer base. And, to acknowledge the quality of our work, we were distinguished this month by the prestigious Euromoney magazine as the "Best Bank in Portugal."

For the future, we maintain our well-defined course: to keep growing, in order to be able to support people and companies, and to offer an innovative, excellent service, while investing in the development of our employees, and creating an inspiring, inclusive work environment."

Pedro Castro e Almeida, CEO of Banco Santander Portugal

Lisbon, July 28, 2023 - PRESS RELEASE

Highlights

- At the end of the first semester of 2023, Santander Totta, SGPS achieved a **net profit** of **€ 333.7 million**, meaning a 38.3% growth compared to the € 241.3 million recorded in the same period last year.
- The Bank continues to increase its customer base, with year-on-year growth of 75 thousand new main bank customers, and 120 thousand new digital customers, leveraged by the ongoing commercial and digital transformation process. This growth led to a 23% increase in purchases made with cards issued by Santander, a 4% growth in cash withdrawals, and a 68% growth in payments for services by using cards.

- Likewise, during this period, the Bank maintained strong levels of provision of savings and protection solutions, with more than € 280 million invested in financial solutions (mutual funds and financial insurance), and an increase of more than 100,000 policies insurance purchased by customers.
- The business dynamics continues to be influenced by the context of interest rate hikes by the ECB. Throughout the semester, the Bank maintained significant monthly balance sheet mobilization volumes, in excess of € 1.5 billion.
- **Loans to customers¹ amounted to € 41.9 billion**, a 3.8% decrease compared to the same period in 2022, a dynamic largely explained by the early repayment of loans by companies and the lower origination of new loans. The **mortgage loan** portfolio, in the amount of € 22.4 billion, declined by 1.2% from the same period in 2022.
- **Customer funds, amounting to € 44.3 billion**, recorded a 7.2% reduction compared to the end of the first half of 2022, as a result of a decrease in deposits (-8.8%), largely associated with the mentioned early repayment of loans, as well as the investment in off-balance sheet resources, which grew by 6.0% compared to the end of 2022.
- The **efficiency ratio stood at 30.8%** (a 8.8 p.p. decrease compared to June 2022).
- The **fully implemented CET1 ratio** stood at 17.6% (-3.4 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*, recognizing the Bank’s excellent results in 2022. The North American magazine ***Global Finance*** has also awarded the title of “*Best Bank in Portugal*” to Santander, within the scope of “*The World’s Best Banks 2023*,” distinguishing financial institutions for the results obtained, 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 of projects to support the climate transition of its individual customers and companies, in an amount of more than € 400 million.
- Santander Portugal has the best ratings in the sector. The Bank’s current long-term debt ratings, compared to the levels of Portugal as a country, are as follows: Fitch — A (Portugal - BBB+); Moody’s — Baa1 (Portugal - Baa2); S&P — BBB+ (Portugal - BBB+); and DBRS — A (Portugal - A low).

¹Total loans to customers (gross)

Key Indicators

Santander Totta, SGPS

BALANCE SHEET AND RESULTS (million euro)	jun/23	jun/22	Var.
Total Net Assets	57,566	61,858	-6.9%
Loans and advances to customers (gross) (1)	41,937	43,577	-3.8%
Customers' Resources	44,272	47,719	-7.2%
Net Interest Income (without dividends)	586.5	370.3	+58.4%
Net Fees	231.2	239.5	-3.5%
Net Income from Banking Activities (2)	830.4	612.9	+35.5%
Operating costs	-255.4	-242.6	+5.3%
Net Operating Income	575.0	370.3	+55.3%
Income before taxes and non-controlling interests	501.0	349.7	+43.3%
Consolidated net income*	333.7	241.3	+38.3%

RATIOS	jun/23	jun/22	Var.
ROE	17.6%	10.5%	+7.1 p.p.
Efficiency ratio	30.8%	39.6%	-8.8 p.p.
CET I ratio (fully implemented)	17.6%	21.0%	-3.4 p.p.
Non-Performing Exposure Ratio (3)	2.1%	2.2%	-0.1 p.p.
Non-Performing Exposure coverage ratio	88.6%	82.1%	+6.5 p.p.
Cost of credit (4)	0.06%	0.01%	+0.05 p.p.

Other Data	jun/23	jun/22	Var.
Employees in Portugal	4,666	4,696	-30
Total Branches in Portugal	333	341	-8

RATING - Banco Santander Totta, SA (senior debt)	jun/23
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

The pace of international economic activity, during the first half of 2023, was characterized by a more solid economic growth, benefiting from the reopening of the Chinese economy and the resilience of the US labour market. The services sector has been the main driver of growth, offsetting the slowdown in production in the manufacturing sector. In March, the temporary instability in the US banking sector led to a general devaluation of asset prices, but which have been recovering ever since, supported by the expectations that the cycle of raising interest rates by the Federal Reserve is close to its end. However, the persistence of high inflationary pressures, the need to further tighten the financial conditions, and the intensification of geopolitical tensions keep increasing the risks on global economic growth.

In the Euro Area, the economy has been operating in a stagflation framework throughout the second quarter of 2023, after a slight contraction in the first quarter (-0.1%), in a context of declining private and public consumption, impacted by the conditions of tighter financing in response to persistently high inflation. However, the labour market still remains quite resilient, with the economy operating at full employment. In this context, the ECB signals that it is likely to carry on with its tight monetary policy for an extended period of time, and, ultimately, with the real interest rate becoming positive.

In Portugal, economic activity slowed down in the second quarter, with a preliminary estimated growth of 0.3% quarter-on-quarter, after a particularly strong first quarter (+1.6% quarter-on-quarter). Economic growth kept being supported, in year-on-year terms, by the significant contribution of net exports, which more than offset the drop in investment and moderate private consumption. Economic activity between the industrial and services sectors evolved asynchronously throughout the second quarter, with industrial production recording a year-on-year contraction of 4.5% (-6.9% in April), due to a persistent drop in turnover in the industry, which recorded reductions in internal and external demand of 1.4% and 2.2%, respectively. However, in the services sector, retail trade sales grew by 3.1% in May, keeping up with the post-pandemic recovery trend. Sales of food and non-food products grew synchronously, by 2.8% and 3.2%, respectively.

As far as the labour market, conditions remained quite resilient, with the economy operating at full employment. The industrial sector recorded a positive evolution in terms of employment, wages, and hours worked, year-on-year, of 0.8%, 8.4%, and 1.2%, respectively; and with the services sector growing employment, wages, and hours worked, year-on-year, by 2.2%, 11.4%, and 3.2%, respectively. In this context, the employed population grew by 1.3%, year-on-year, contrasting with an 8.5% increase in the number of unemployed. Even so, the unemployment rate retreated compared to the months of April and February (by -0.1 p.p. and -0.5 p.p., respectively), standing at 6.4%.

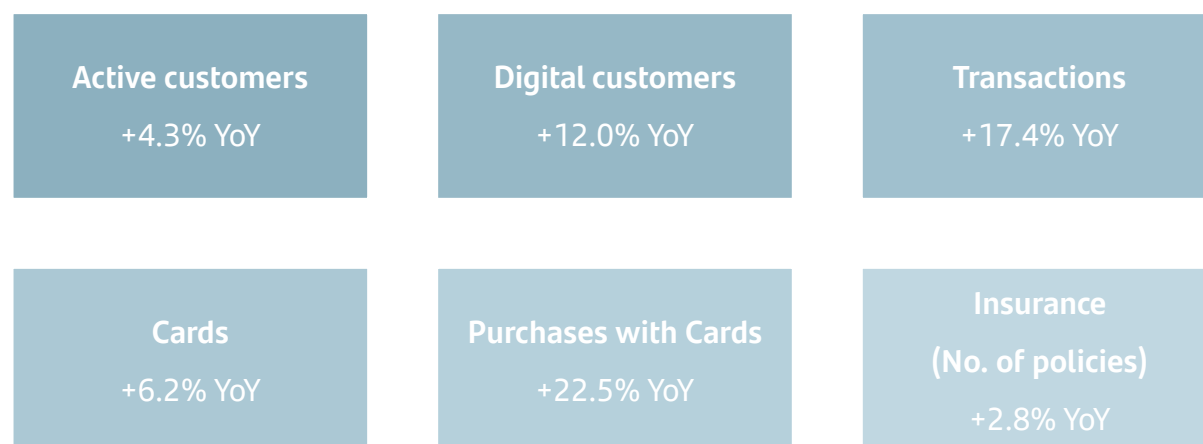
In view of the current inflationary context, the greatest adverse risks to business activity, as a result of the tighter monetary policy, are still signalled by the negative slope of the yield curves in the US and in the Euro Area, that is, with 2-year yields at record levels above the 10-year yields. Rates of return on public debt in the Euro Area maintain their upward trend, with the German 10-year yield standing at 2.44%, and the 2-year yield at 3.24% (as of July 20, 2023). The 10-year Portuguese sovereign rate stood at 3.17%, a decrease of 42 b.p. compared to the level of December 30, 2022 (3.59%). The difference against the German sovereign stands at about 73 b.p., compared to 100 b.p. recorded in December 30, 2022.

The risk rating for Portugal is Baa2, by Moody's, BBB+ (stable) by Fitch, BBB+ by S&P, and A (low) by DBRS.

Business Activity

Throughout the first half 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.

During this period, **the Bank's active customer base grew by about 75,000 new customers (+4%)** compared to the end of the first half of 2022. Digital channels are also an increasingly important instrument in this relationship, therefore, the Bank accelerated growth in digital customers, which amounted to 1.14 million customers (+12% compared to the same period in 2022), who made about one million daily accesses to the Bank (+36% year-on-year).



In the first half of 2023, Santander customers increased their relationship with the Bank, with a **year-on-year growth in payments and transfers of over 17%**, to more than **48 million operations**, as a result of the use of digital channels as well as of the cards — both debit and credit cards — made available by the Bank (and whose number increased by more than 6% compared to the same period in 2022). During this same period, almost 23 million cash withdrawals were carried out, a 4% increase year-on-year.

The Bank's support for family and business projects remains solid, through the origination and renewal of mortgage credit operations, both for individuals and companies, and credit, liquidity and treasury management instruments, in an average monthly volume of more than € 1.5 billion.

It is also worth highlighting the support given to companies with regard to their energy transition process, as well as their internationalization. The Bank maintains a relevant presence in the financing of projects to support climate transition of both its individual customers and companies, in a volume of more than € 400 million.

In terms of *Trade Finance*, the strength of its market share was distinguished for the 4th 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 continued to provide a differentiated offer, which, in addition to traditional deposits, includes a wide range of investment solutions in mutual funds and financial insurance. In the first quarter of the year, customers channelled a significant part of their savings to this type of product, with

net subscriptions worth more than € 280 million, a portfolio growth of 1.1% year-on-year, up to 3,952 billion in terms of investment funds, and to 3,752 billion as far as financial insurance and other resources.

However, in the current context of high rising interest rates, customers have also decided for the early repayment of their loans, together with the beginning of repayments of credit facilities guaranteed by the Government — created during the pandemic —, which ended up dominating the dynamics of business volumes.

In terms of personal and real **protection**, Santander keeps providing a diversified offer that contributes to the peace of mind and comfort of an ever-increasing number of customers. In the first six months of the year, more than one hundred thousand policies were originated, with the total number of policies placed with the Bank's customers amounting to more than 1.25 million (+3% compared to the same period of the previous year).

The insurance offer for corporates was bolstered, with the new Cyber Insurance and Fixed Assets Leasing, complemented by a tailor-made offer of health insurance.

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 the first half of 2023, Santander Totta, SGPS (referred to as "Bank" or "Santander Portugal" in this Press Release) achieved a net profit of € 333.7 million, a year-on-year growth of 38.3% compared to the € 241.3 million it achieved in the same period of 2022.

Net income from banking activities,¹ in the amount of € 830.4 million, recorded a year-on-year growth of 35.5%, as a result of the recovery of net interest income (+58.4%), which made it possible to offset the dynamics of net fees, which decreased by 3.5%, to € 231.2 million, in the same period. Results from the insurance activity amounted to € 10.8 million.

Operating costs increased by 5.3%, compared to the same period of 2022, to € 255.4 million, although below the average inflation rate in the first half of the year, thus allowing the cost reduction trend to remain, in real terms. Net operating income, in the amount of € 575.0 million, grew by 55.3% compared to the same period in 2022. The efficiency ratio dropped by 8.8 p.p. year-on-year, to 30.8%.

Net interest income amounted to € 586.5 million (+58.4% year-on-year), as a result of the new context of higher interest rates, with the European Central Bank raising its reference rates since July 2022 by 425 b.p., translating an upward cycle which, in terms of speed and accumulated volume of changes, is only paralleled with the beginning of the 1980s, after the second oil shock. The competitive environment, actually quite competitive and in a framework of high liquidity, kept translating into a dynamic in which interest rates did not follow market rates, putting downward pressure on credit spreads.

Net fees recorded a 3.5% decrease compared to the same period in 2022, down to € 231.2 million, reflecting the context of higher interest rates, which translated into a decrease in the volumes of new credit production, in addition to various legal amendments, which have prevented the charging of fees on a number of banking services. The dissipation of the effects of the post-pandemic recovery, which influenced the growth of fees in 2022, namely transactional fees, has also contributed to this dynamic.

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

Results from insurance activity amounted to € 10.8 million, and results from financial operations to € 11.8 million.

Operating costs, in the amount of € 255.4 million, recorded a year-on-year growth of 5.3%, reflecting, on the one hand, the salary update implemented in 2023 (contributing to a 4.9% 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 8.2% year-on-year. Depreciations recorded a decrease of 4.0% compared to the first half of 2022.

The growth in operating costs below the inflation rate during this period allowed for continued efficiency improvements, whose ratio decreased by 8.8 p.p. compared to the same period of 2022. The cost base, however, grew below the average inflation.

The complex economic context, persistent inflation, and structurally higher interest rates, as well as a moderate rise in unemployment, required that the conservative policy in terms of monitoring credit risks be maintained, materialized in the amount of € -35.0 million net impairment of financial assets at amortized cost. However, by the end of the first half of the year, this change in context had not yet reflected on the quality of the loan portfolio, with the NPE ratio standing at 2.1% (a year-on-year drop of 0.1 p.p.).

Net provisions and other results, in the amount of € 38.9 million (a 79.6% increase compared to the end of the first half of 2022) reflect the increase in 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 43.3% year-on-year, to € 501.0 million.

Balance Sheet and Business

At the end of June 2023, the loan portfolio amounted to € 41.9 billion, recording a decrease of 3.8% compared to the end of 2022.

The evolution of credit volumes continues to be conditioned by the high interest rates context. On the one hand, over the first six months of the year, there was a visible decrease in demand for medium and long-term credit solutions, both by companies and individuals. On the other hand, there was a visible increase in early repayments of credit, with economic agents adjusting their financial assets and liabilities in a balanced way to the interest rates changes by the ECB. These two dynamics were more visible in the first quarter of the year.

On the other hand, customer demand for liquidity and treasury management solutions has remained quite solid, with the Bank maintaining a very relevant activity.

The mortgage loan portfolio amounted to € 22.4 billion, a 1.2% decrease compared to the end of June 2022, reflecting the mentioned effects of lower origination of credit, as well as early loan repayment. Consumer credit, amounting to € 1.8 billion, grew by 2.0% year-on-year.

Loans to companies, in the amount of € 14.5 billion, were 9.2% below the levels of June 2022, an evolution that reflects the combination of several factors, such as a set of programmed maturities by larger companies, which also have greater liquidity, in addition to the impacts of the economic environment, with global uncertainty and rising interest rates, and also the amortization of credit facilities with public guarantee, which were created during the pandemic. However, 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.

LOANS(*) (million euro)	jun/23	jun/22	Var.
Loans to individuals	24,588	24,878	-1.2%
of which			
Mortgage	22,436	22,704	-1.2%
Consumer	1,828	1,793	+2.0%
Loans to corporates	14,470	15,936	-9.2%

(*) Loans at amortized cost

The Non-Performing Exposure (NPE) ratio, calculated according to EBA criterion (in relation to balance sheet exposures), stood at 2.1% in June 2023, a reduction of 0.1 p.p. compared to the same period last year, with the respective coverage standing at 88.6% (+6.5 p.p.).

Customer resources amounted to € 44.3 billion, a 7.2% decrease compared to the same period last year, largely explained by the evolution of customer deposits, which stood at € 36.6 billion (-8.8% compared to the end of June 2022), associated with the early amortization of credit by customers, as well as the diversification of resources, which materialized in a growth of applications by customers in off-balance sheet resources, by 1.1% compared to the same period, and by 6.0% compared to the end of 2022.

RESOURCES (million euro)	jun/23	jun/22	Var.
Customers' resources	44,272	47,719	-7.2%
Deposits	36,568	40,101	-8.8%
Off-balance sheet resources	7,704	7,619	+1.1%
Investment funds	3,952	3,781	+4.5%
Insurance and other resources	3,752	3,838	-2.2%

Liquidity and Solvency

Santander Portugal maintained its liquidity management strategy aimed at maximizing the liquidity buffer available to face adverse events. At the end of June 2023, Santander maintained its solid liquidity position, ending the semester with a liquidity reserve of € 16.7 billion. Exposure to the Eurosystem stood at € -6.5 billion (surplus position).

The Bank has adapted its financing structure to the market context. The funding obtained from the European Central Bank remained exclusively in long-term operations and entirely through the TLTRO III funding programme, in the amount of € 0.7 billion, since in June 2023 a tranche of €3.5 billion from the TLTRO III programme was repaid on maturity.

Short-term financing, through repurchase agreements, amounted to € 4.0 billion at the end of the semester.

In terms of long-term financing, in addition to the operation with the ECB, Santander Portugal ended the first half of 2023 with about € 1.1 billion in securitisations, € 2.7 billion in covered bonds, € 1.1 billion of senior HoldCo issuances, € 0.2 billion of subordinated issuances, € 0.2 billion of Credit Linked Notes, and about € 0.5 billion in financing with repurchase agreement.

The LCR (*Liquidity Coverage Ratio*), calculated in accordance with CRD IV rules, stood at 128.7%, 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 17.6% (fully implemented) in June 2023, a 3.4 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 of 8.344%, Tier 1 of 10.125%, and Total of 12.5%, fully implemented).

In terms of MREL, as of the end of June 2023, Santander Totta SGPS recorded a ratio of 28.7%, above the fully implemented requirement of 24.17% (including the 3% Combined Buffer Requirement (CBR) of TREA), required as of January 1st, 2024.

CAPITAL (fully implemented) (million euro)	jun/23	jun/22
Common Equity Tier I	2,805	3,449
Tier I Capital	3,205	3,849
Total Capital	3,481	3,919
Risk Weighted Assets (RWA)	15,940	16,387
CET I ratio	17.6%	21.0%
Tier I ratio	20.1%	23.5%
Total Capital Ratio	21.8%	23.9%

External recognition

In the first half of the year, Santander was once again awarded 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 International"** in Portugal, awarding this segment of the Bank for the 12th consecutive year. *World Finance* also distinguished Santander as the **"Best Private Banking"** in Portugal.

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

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.

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 4th consecutive year, in the **Settlement & Custody** category of the *Euronext Lisbon Awards 2023.*

Santander Totta, SGPS

BALANCE SHEET (million euro)	jun/23	jun/22	Var.
Cash, cash balances at central banks and other demand deposits	8,062	10,801	-25.4%
Financial assets held for trading, at fair value through profit or loss, and at fair value through other comprehensive income	8,808	8,840	-0.4%
Financial assets at amortised cost	39,142	40,786	-4.0%
Investments in subsidiaries, joint ventures and associates	65	100	-34.9%
Tangible assets	431	487	-11.6%
Intangible assets	36	35	+2.1%
Tax assets	202	294	-31.4%
Non-current assets held for sale	46	22	+111.5%
Other assets	776	493	+57.3%
Total Assets	57,566	61,858	-6.9%
Financial liabilities held for trading	782	460	+70.1%
Other financial liabilities mandatory at fair value through profit or loss	2,860	2,996	-4.5%
Financial liabilities at amortised cost	48,304	52,313	-7.7%
Resources from Central Banks and Credit Institutions	6,115	7,899	-22.6%
Customer deposits	36,568	40,101	-8.8%
Debt securities issued	5,331	4,029	+32.3%
Other financial liabilities	290	284	+2.2%
Provisions	156	188	-17.0%
Technical provisions	588	645	-8.9%
Tax liabilities	333	298	+11.6%
Other liabilities	622	741	-16.0%
Total Liabilities	53,646	57,641	-6.9%
Share capital attributable to ST SGPS shareholders	3,918	4,215	-7.0%
Non controlling interests	1	1	+6.2%
Total Shareholders' Equity	3,920	4,217	-7.0%
Total Shareholders' Equity and Total Liabilities	57,566	61,858	-6.9%

Santander Totta, SGPS

CONSOLIDATED INCOME STATEMENTS* (million euro)	jun/23	jun/22	Var.
Net interest income	586.5	370.3	+58.4%
Income from equity instruments	1.7	3.7	-53.9%
Results from associates	8.1	9.9	-18.8%
Net fees	231.2	239.5	-3.5%
Other operating results	-19.6	-35.2	-44.3%
Insurance activity	10.8	5.4	+100.4%
Commercial revenue	818.6	593.5	+37.9%
Gain/losses on financial assets	11.8	19.4	-39.1%
Net Income from Banking Activities (1)	830.4	612.9	+35.5%
Operating costs	-255.4	-242.6	+5.3%
Staff expenses	-136.9	-130.5	+4.9%
Other Administrative Expenses	-96.3	-89.0	+8.2%
Depreciation	-22.2	-23.1	-4.0%
Net operating Income	575.0	370.3	+55.3%
Impairment (net) of financial assets at amortised cost	-35.0	1.2	-
Net provisions and other results	-38.9	-21.7	+79.6%
Income before taxes and non-controlling interests	501.0	349.7	+43.3%
Taxes	-167.2	-108.3	+54.4%
Non-controlling interests	-0.1	-0.1	+39.2%
Consolidated net income	333.7	241.3	+38.3%

(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

Ratios	jun/23	jun/22	Var.
Profitability			
Income before taxes and MI/Average net assets	1.7%	1.2%	+0.5 p.p.
Net income from banking activity/Average net assets	2.9%	2.2%	+0.7 p.p.
Income before taxes and MI/Average equity	26.6%	16.1%	+10.5 p.p.
Efficiency			
Operating expenses/Net income from banking activity	30.8%	39.6%	-8.8 p.p.
Staff expenses/Net income from banking activity	16.5%	21.3%	-4.8 p.p.
Transformation			
Credit (net)/Deposits	112.1%	106.3%	+5.8 p.p.