

## **Santander Portugal achieves net profit of € 185.9 million (+19.6% YoY)**

"In the first three months of the year, we achieved net profit of 186 million euros, and continued to show quite robust indicators, which reinforce the strength of our balance sheet, and our ability to support the economy, companies, and households in Portugal.

The 1<sup>st</sup> quarter was marked by rising interest rates and higher remuneration on deposits, which naturally had an impact on our activity. Business remained quite dynamic during this period, with the number of active customers increasing by 4%, and digital customers by more than 11%, with almost one million daily accesses through digital channels.

The Bank maintains high liquidity and very high capitalization levels — CET 1 standing at 13.5% — and an efficiency ratio of 31.3%.

We keep being recognized and awarded externally as one of the best in our sector — in different business areas — largely due to the talent and dedication of our teams, which make of Santander a strong, profitable institution, where we want everyone to enjoy working, ensuring the provision of an excellent service to our customers.

Being a solid Bank, and with such sound results, allows us to be better prepared to deal with the challenges we face on our day-to-day, and to better help our customers, who always remain as the main focus of our business. It also gives us room to keep moving forward, and to contribute to a fairer, greener, more digital society. To be closer to those who need us."

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

Lisbon, April 27, 2023 — PRESS RELEASE

### **Main Highlights**

- At the end of the first quarter of 2023, Santander Totta, SGPS achieved a **net profit** of **€ 185.9 million**, a 19.6% growth, compared to the € 155.4 million recorded in the same period last year.
- The Bank continues to increase its customer base, with year-on-year growth of more than 70 thousand new loyal customers, and 118 thousand new digital customers, leveraged by the commercial and digital transformation process. This growth led to a 19% increase in purchases made with cards issued by Santander, a 5% growth in cash withdrawals, and 85% 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 € 150 million invested in financial solutions (mutual funds and financial insurance), and an increase of more than 75,000 policies insurance purchased by customers.
- Despite the dynamics of Santander Portugal's balance sheet mobilization activity during the first three months of the year — in a monthly amount well in excess of € 1.5 billion —, business volumes reflected the new context of high interest rates, namely with early repayment of loans.
- **Loans to customers<sup>1</sup> amounted to € 42.6 billion**, a 2.2% decrease compared to the same period in 2022, a dynamic largely explained by the early repayment of loans by companies. The **mortgage loan** portfolio, in the amount of € 22.7 billion, recorded a year-on-year growth of 1.8%.
- **Customer resources, amounting to € 44.8 billion**, recorded a 5.5% reduction compared to the end of Q1 2022, as a result of a decrease in deposits (-4.9%), largely associated with the mentioned early repayment of loans, as well as of off-balance sheet resources (-8.4%), still affected by the context of financial markets.
- The **efficiency ratio stood at 31.3%** (a 5.2 p.p. decrease compared to March 2022).
- The **fully implemented CET1 ratio** stood at 13.5% (-7.8 p.p. year-on-year).
- The North American magazine *Global Finance* awarded Santander the title of "**Best Bank in Portugal**" within the scope of "*The World's Best Banks 2023.*" In turn, the magazine *Euromoney* 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 Private Banking International**" in Portugal, awarding this segment of the Bank for the 12<sup>th</sup> consecutive year.
- Santander was 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**, Santander signed a protocol with the European Investment Bank, in the amount of € 160 million, to support the climate transition of its private and corporate customers.
- 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 - Baa2 (Portugal - Baa2); S&P - BBB+ (Portugal - BBB+); and DBRS - A (Portugal - A low).

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<sup>1</sup>Total loans to clients (gross)

## Key Indicators

### Santander Totta, SGPS

<b>BALANCE SHEET AND RESULTS</b> (million euro)	<b>Mar-23</b>	<b>Mar-22</b>	<b>Var.</b>
Total Net Assets	58,400	60,292	-3.1%
Loans and advances to customers (gross) <sup>(1)</sup>	42,571	43,549	-2.2%
Customers' Resources	44,771	47,357	-5.5%
Net Interest Income (without dividends)	267.7	193.9	+38.1%
Net Fees	121.7	119.1	+2.2%
Net Income from Banking Activities <sup>(2)</sup>	407.9	331.7	+23.0%
Operating costs	-127.6	-121.0	+5.4%
Net Operating Income	280.4	210.7	+33.1%
Income before taxes and non-controlling interests	269.6	225.6	+19.5%
Consolidated net income*	185.9	155.4	+19.6%

<b>RATIOS</b>	<b>Mar-23</b>	<b>Mar-22</b>	<b>Var.</b>
ROE	19.7%	13.6%	+6.1 p.p.
Efficiency ratio	31.3%	36.5%	-5.2 p.p.
CET I ratio (fyly implemented)	13.5%	21.3%	-7.8 p.p.
Non-Performing Exposure Ratio <sup>(3)</sup>	2.1%	2.3%	-0.2 p.p.
Non-Performing Exposure coverage ratio	87.7%	81.4%	+6.3 p.p.
Cost of credit <sup>(4)</sup>	0.00%	0.10%	-0.10 p.p.

<b>Other Data</b>	<b>Mar-23</b>	<b>Mar-22</b>	<b>Var.</b>
Employees in Portugal	4,677	4,721	-44
Total Branches in Portugal	334	344	-10

<b>RATING (BST)</b>	<b>Mar-23</b>
FitchRatings	A-
Moody's	Baa2
Standard & Poor's	BBB-
DBRS	A

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

<sup>(2)</sup> Includes the costs with the Resolution and Deposit Guarantee Funds

<sup>(3)</sup> In accordance with to EBA criteria

<sup>(4)</sup> 12 month average

## **Business Environment**

The global economic environment has been characterized by a trajectory of improvement throughout the first quarter of 2023, with the main leading indicators of economic activity, of both developed and emerging economies, signalling a dynamic of synchronized recovery, compared to what was recorded in the end of 2022.

The factors behind such improvement of economic activity are being supported by the impact of the reopening of the Chinese economy — with the end of the zero Covid policy —, as well as by the faster normalization of logistic chains related to production and distribution of commodities, formerly disrupted by the invasion of Ukraine by Russia.

At the same time, the synchronized adoption of a tight monetary policy by most central banks — to cope with the installed inflationary pressures — is starting to bear the first results, with the inflation rate starting to decelerate and gradually converging towards the medium-term goal, although it still remains quite high.

However, the fast pace of reference interest rates hikes triggered some pockets of financial instability, as a result of inadequate balance sheet management by some US banks, such as the *Silicon Valley Bank*, the *Signature Bank*, and the *Silvergate Bank*, with excessive exposure to some types of financial assets, such as cryptocurrencies or fixed rate debt, which forced the intervention of the FDIC (Federal Deposit Insurance Corporation), in order to contain the risk of contagion to the financial system, and thus, avoid a liquidity crisis.

In Europe, Credit Suisse was not immune to the liquidity crisis, after the National Bank of Saudi Arabia — one of its largest shareholders — denied the possibility of strengthening its position, leading to a devaluation of almost 25% of the bank's share prices. Despite the efforts to stop the devaluation trajectory, the Swiss Central Bank and the Swiss Government had to intervene, and the bank ended up being acquired by UBS, in an operation with public intervention, in which holders of Additional Tier 1 (AT1) debt saw their positions reduced to zero, but with no impacts on shareholder capital.

In order to bolster financial stability, the main central banks issued a joint statement, distinguishing between financial stability and price stability initiatives, safeguarding the need to pursue their tight monetary policy, by rising reference interest rates and by decreasing the liquidity available in the economy, to keep fighting inflationary pressures, namely those potentially associated with rising wages. In March 2023, the ECB raised the main refinancing rate to 3.5%, and the Federal Reserve to 4.75%, the highest values since 2008.

The Portuguese economy was characterized by a relatively stable economic context, supported by improved consumer confidence, which remains in line with improved conditions in the labour market, with the unemployment rate remaining below the natural rate (estimated at about 7%), and decreasing to 6.8% in February 2023. The inflation rate continued on its decelerating path to 7.4% in March 2023, reflecting the initial dissipation of the base effects associated with the energy prices.

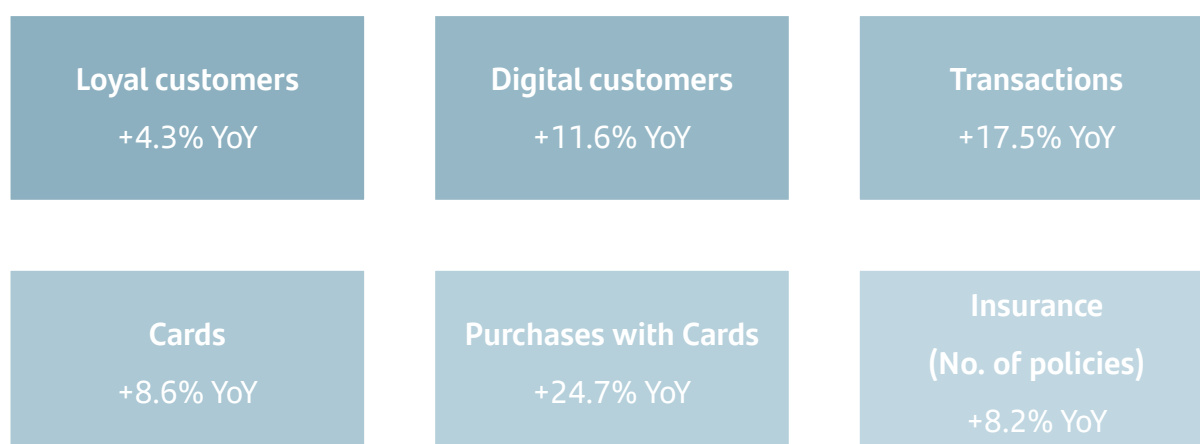
Short-term economic activity indicators (until January 2023) point towards an improvement in economic activity, with an acceleration in the industry — both in volume and value — and in construction (in real terms), and a slowdown in services (in nominal terms). The leading indicator of domestic demand, at the beginning of 2023, points to an increase in private consumption and a decrease in investment. External demand is characterized by growth in exports and imports of goods, by 7% and 6.7%, respectively, in year-on-year terms, in February 2023, resulting in a deterioration of the trade balance. In terms of exports of services, and in particular of tourism, the number of overnight stays increased by 74.5% in January, year-on-year, with overnight stays of residents increasing by 38.7%, and of non-residents by 101.3 %.

In view of the current inflationary context and increased risks of recession, as a result of a tighter monetary policy, the yield curves in the US and in the Euro Area remained inverted, that is, with 2-year maturities recording levels higher than the 10-year maturities, although less than before the beginning of the financial instability observed in the second half of March. Yields on public debt in the Euro Area maintain their upward trend, with the German 10-year yield standing at 2.50%, and the 2-year yield at 2.90% (as of 18 April 2023). The 10-year Portuguese sovereign rate stands at 3.34%, a decrease of 25 b.p. compared to the figure of December 30, 2022 (3.59%). The difference against the German sovereign is about 84 b.p., compared to the 100 b.p. recorded on December 30, 2022. The risk ratings for Portugal are: Baa2, by Moody's, BBB (stable) by Fitch, BBB+ by S&P, and A (low) by DBRS.

### Business Activity

In the first quarter of 2023, Santander Portugal continued to pursue its purpose of helping people and business prosper, materialized in the **growth of the relationship with its customers**, in terms of transactions and commercial relations.

In Q1, **the loyal customer base increased by 4%**, in other words, compared to the same period last year, there were over 70,000 customers who maintained an active relationship with the Bank. This relationship is also increasingly established through digital channels, with a growth of more than 10% in the number of **digital customers, which already exceed 1.1 million customers**, and which carry out almost one million accesses per day (+36% compared to the same period last year).



In Q1 2023, Santander customers made more than **23 million payments and transfers**, a year-on-year growth of over 17%, reflecting not only the use of digital channels, but, in particular, the use of debit and credit cards made available by the Bank, whose number increased by more than 8% compared to the same period in 2022. As a result, more than 820 thousand daily purchases were made (+26% compared to Q1 2022) — thus extending the growth dynamics of recent years (only occasionally interrupted by the pandemic) — plus almost 11 million cash withdrawals (+6% year-on-year).

Throughout this first quarter, the Bank continued to make its balance sheet available to support household and corporate projects, in a monthly amount well in excess of € 1.5 billion, in terms of origination and renewal of operations in mortgage loans, personal credit, and loans to companies, as well as through credit, liquidity and cash management instruments.

It is also worth highlighting the support provided to companies with regard to their energy transition, as well as to their internationalization. The Bank maintains a relevant presence in financing renewable energy projects, and, in March, in terms of sustainable financing, it signed a protocol with the European Investment Bank, in the amount of € 160 million to support climate transition projects for its individual and corporate customers.

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 **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 € 150 million, with the portfolio converging to € 3.784 billion in terms of investment funds, and to € 3.702 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 State — created during the pandemic —, which factors ended up dominating the dynamics of business volumes.

In the important **area of personal and real protection**, Santander offers a wide range of products that contribute to the peace of mind and comfort of an ever-increasing number of customers. In the first quarter, with the origination of more than 75,000 policies, the total number of policies placed with Bank customers exceeded 1.25 million, an increase of more than 8%, compared to the same period last year.

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

In its constant endeavour to improve service quality and to make its offer available through 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 Q1 2023, Santander Totta, SGPS (referred to as “Bank” or “Santander Portugal” in this Press Release) achieved a net profit of € 185.9 million, a year-on-year growth of 19.6% compared to the € 155.4 million it achieved in the same period of 2022.

Net income from banking activities<sup>1</sup> amounted to € 407.9 million, a growth of 23.0% compared to the end of Q1 2022, driven by the improvement in net interest income (+38.1%), while net fee income grew at a more moderate pace, namely by 2.2%, to € 121.7 million. Income from insurance activity grew by 56.3%, to € 4.8 million.

Operating costs, in the amount of € 127.6 million, increased by 5.4%, reflecting the wage increase measures implemented during the current year, as well as the effects of the current inflationary context. However, costs grew below the inflation rate, translating as a continued downward trend in real terms. Net operating income increased by 33.1% year-on-year to € 280.4 million. The efficiency ratio dropped by 5.2 p.p., to 31.3%.

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<sup>1</sup> Net income from banking activities includes Cash contributions to resolution funds and deposit guarantee schemes.

Net interest income, in the amount of € 267.7 million, increased by 38.1% year-on-year, reflecting the monetary policy measures implemented by the ECB since July 2022, namely in terms of rising reference interest rates. The deposit facility rate increased by 350 b.p. to 3.0%. On the other hand, despite the interest rate hikes, the very competitive environment remained quite strong, which kept putting downward pressure on credit spreads.

Net fee income amounted to € 121.7 million, a 2.2% increase compared to the same period in 2022. This evolution reflects the combination of several factors, of which it is worth highlighting the dissipation of the effects of the post-pandemic recovery, which influenced the growth of fees in 2022, namely transaction fees, and also the context of higher interest rates, which is reflected in more moderate volumes of new credit production.

Income from insurance activity recorded a year-on-year growth of 56.3%, to € 4.8 million, while gains on financial assets amounted to € 8.2 million, an increase of 2.2% in the same period.

Operating costs, in the amount of € 127.6 million, increased by 5.6% compared to the same period in 2022, reflecting, on the one hand, the wage increases implemented in 2023 (and thus, staff expenses grew by 4.8% year-on-year), and, on the other hand, the impacts of the context of high inflation rates on general and administrative expenses, which increased by 8.3%. Depreciation dropped by 2.5%. However, the cost base grew below the inflation observed in this period, thus, it continued to decline in real terms.

The net impairment of financial assets at amortized cost amounted to € -17.0 million, which compares with -3.0 million in the same period last year. The economic context has changed compared to that observed in the same period last year, with higher interest rates and higher unemployment rates. Despite this, and despite the complex economic context, the quality of the loan portfolio remains unchanged, with the NPE ratio standing at 2.1% at the end of Q1 (a reduction of 0.2 p.p. compared to the level observed in the same period last year).

The evolution of net provisions and other results — with a 65.8% reduction compared to the same period in 2022 — reflect the disposal of current assets held for sale carried out during that period.

Income before taxes and non-controlling interests amounted to € 269.6 million, a 19.5% growth compared to the € 225,6 million in the same period in 2022.

## **Balance Sheet and Business**

At the end of March 2023, the loan portfolio reached € 42.6 billion, recording a slight decrease of 2.2% compared to the same period in 2022.

The dynamics of credit volumes is heavily influenced by the context of high interest rates, with a decrease in the demand for medium and long-term credit, especially by companies, which are rather searching for liquidity and cash management solutions, in which field the Bank has maintained a very relevant activity.

The mortgage loan portfolio grew by 1.8% compared to the same period in 2022, and the dynamic origination activity was offset by the early repayment of loans by households, which are thus adjusting their profile of financial assets and liabilities to the new context of higher interest rates. In terms of consumer credit, the portfolio grew by 4.7% year-on-year.

Loans to companies, in the amount of € 14.9 billion, recorded a 7.2% decrease compared to the same period in 2022. Similarly to the dynamics observed at the end of 2022, this decrease reflects the combination of several factors, such as a set of scheduled maturities for larger companies, which also have greater liquidity, in

addition to the impacts of the economic environment, with global uncertainty and rising interest rates, as well as the repayment of credit facilities guaranteed by the State, which had been created during the pandemic period.

<b>LOANS<sup>1</sup></b> (million euro)	<b>Mar-23</b>	<b>Mar-22</b>	<b>Var.</b>
Loans to individuals	24,836	24,400	+1.8%
<i>of which</i>			
Mortgage	22,675	22,269	+1.8%
Consumer	1,818	1,737	+4.7%
Loans to corporates	14,914	16,075	-7.2%

(1) Loans at amortized cost

The Non-Performing Exposure (NPE) ratio, calculated in accordance with EBA criterion (regarding balance sheet exposure), dropped to 2.1% in March 2023, a year-on-year decrease of 0.2 p.p., the respective coverage standing at 87.7%.

Customer resources amounted to € 44.8 billion, a 5.5% decrease compared to the same period last year. Customer deposits stood at € 37.3 billion (-4.9% year-on-year), largely reflecting the early repayment of credit by customers. Off-balance sheet resources decreased by 8.4% compared to the end of Q1 2022, reflecting, in particular, the market conditions. Compared to the end of 2022, customer investments in investment funds, and in financial insurance and other resources grew by 3.0%.

<b>RESOURCES</b> (million euro)	<b>Mar-23</b>	<b>Mar-22</b>	<b>Var.</b>
<b>Customers' resources</b>	<b>44,771</b>	<b>47,357</b>	<b>-5.5%</b>
Deposits	37,285	39,187	-4.9%
Off-balance sheet resources	7,486	8,170	-8.4%
Investment funds	3,784	4,096	-7.6%
Insurance and other resources	3,702	4,074	-9.1%

## Liquidity and Solvency

Santander Portugal pursued its liquidity management strategy aimed at maximizing the liquidity buffer available to face adverse events. In the end of March 2023, Santander maintained a solid liquidity position, ending Q1 with a liquidity reserve of € 18.3 billion, a € 2.4 billion increase compared to the end of 2022. Exposure to the Eurosystem amounted to € -3.6 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, and entirely through the TLTRO III financing programme, in the amount of € 4.2 billion. Short-term funding, through repurchase agreements, amounted to € 2.1 billion at the end of the period.

In terms of long-term financing, in addition to the operation with the ECB, Santander Portugal ended Q1 2023 with about € 1.1 billion in securitisations, € 2.0 billion in covered bonds, € 1.1 billion in senior HoldCo issuances, € 0.2 billion in subordinated issuances, and € 0.2 billion in Credit Linked Notes.

In April, and within the context of the diversification of its funding sources, the Bank carried out the first issuance of covered bonds under the new Covered Bonds Legal Framework, in Portugal, issuing € 750 million, at 5 years,



with a coupon rate of 3.375%, in an operation with quite high demand from a broad base of institutional investors.

The LCR (*Liquidity Coverage Ratio*), calculated in accordance with CRD IV rules, stood at 131.8%, 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, reached 13.5% (fully implemented) in March 2023, a 7.8 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 March 2023, Santander Totta SGPS recorded a ratio of 24.5%, above the fully implemented requirement of 23.77% (including the 3% Combined Buffer Requirement (CBR) of TREA), required as of January 31<sup>st</sup>, 2022.

<b>CAPITAL (fully implemented)</b> (million euro)	<b>Mar-23</b>	<b>Mar-22</b>
Common Equity Tier I	2,188	3,184
Tier I Capital	2,588	3,584
Total Capital	2,870	3,649
<b>Risk Weighted Assets (RWA)</b>	<b>16,238</b>	<b>14,919</b>
CET I ratio	13.5%	21.3%
Tier I ratio	15.9%	24.0%
Total Capital Ratio	17.7%	24.5%

## External recognition

In the first three months of the year, Santander was once again awarded for its financial performance, both globally and in various business segments. The North American magazine *Global Finance* awarded Santander the title of "**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.

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. In this edition, the jury took into account the offer to customers, the innovation capacity, the proposal of products with an impact, and commercial success.

For the second consecutive time, 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).



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

**Santander Totta, SGPS**

<b>BALANCE SHEET</b> (million euro)	<b>Mar-23</b>	<b>Mar-22</b>	<b>Var.</b>
<b>Cash, cash balances at central banks and other demand deposits</b>	8,457	9,168	-7.8%
Financial assets held for trading, at fair value through profit or loss, and at fair value through other comprehensive income	8,587	9,282	-7.5%
Financial assets at amortised cost	39,836	40,583	-1.8%
Investments in subsidiaries, joint ventures and associates	65	99	-34.7%
Tangible assets	434	493	-12.0%
Intangible assets	35	35	+1.4%
Tax assets	219	330	-33.8%
Non-current assets held for sale	47	39	+20.3%
Other assets	721	263	+174.4%
<b>Total Assets</b>	<b>58,400</b>	<b>60,292</b>	<b>-3.1%</b>
Financial liabilities held for trading	622	529	+17.6%
Other financial liabilities mandatory at fair value through profit or loss	2,815	3,220	-12.6%
Financial liabilities at amortised cost	49,408	50,365	-1.9%
Resources from Central Banks and Credit Institutions	6,860	7,744	-11.4%
Customer deposits	37,285	39,187	-4.9%
Debt securities issued	4,602	3,171	+45.1%
Other financial liabilities	661	262	+152.3%
Provisions	153	193	-21.0%
Technical provisions	604	654	-7.7%
Tax liabilities	361	370	-2.4%
Other liabilities	713	771	-7.4%
<b>Total Liabilities</b>	<b>54,676</b>	<b>56,102</b>	<b>-2.5%</b>
Share capital attributable to ST SGPS shareholders	3,723	4,188	-11.1%
Non controlling interests	1	2	-12.4%
<b>Total Shareholders' Equity</b>	<b>3,725</b>	<b>4,190</b>	<b>-11.1%</b>
<b>Total Shareholders' Equity and Total Liabilities</b>	<b>58,400</b>	<b>60,292</b>	<b>-3.1%</b>

**Santander Totta, SGPS**

<b>CONSOLIDATED INCOME STATEMENTS*</b> (million euro)	<b>Mar-23</b>	<b>Mar-22</b>	<b>Var.</b>
<b>Net interest income</b>	<b>267.7</b>	<b>193.9</b>	<b>+38.1%</b>
Income from equity instruments	0.0	0.0	+2.0%
Results from associates	4.1	4.2	-2.3%
Net fees	121.7	119.1	+2.2%
Other operating results	1.5	3.5	-57.3%
Insurance activity	4.8	3.1	+56.3%
<b>Commercial revenue</b>	<b>399.7</b>	<b>323.7</b>	<b>+23.5%</b>
Gain/losses on financial assets	8.2	8.1	+2.2%
<b>Net Income from Banking Activities <sup>(1)</sup></b>	<b>407.9</b>	<b>331.7</b>	<b>+23.0%</b>
Operating costs	-127.6	-121.0	+5.4%
Staff expenses	-68.1	-65.0	+4.8%
Other Administrative Expenses	-48.2	-44.5	+8.3%
Depreciation	-11.3	-11.6	-2.5%
<b>Net operating Income</b>	<b>280.4</b>	<b>210.7</b>	<b>+33.1%</b>
Impairment (net) of financial assets at amortised cost	-17.0	-3.0	>200%
Net provisions and other results	6.1	17.9	-65.8%
<b>Income before taxes and non-controlling interests</b>	<b>269.6</b>	<b>225.6</b>	<b>+19.5%</b>
Taxes	-83.6	-70.1	+19.3%
Non-controlling interests	-0.1	-0.1	+13.0%
<b>Consolidated net income</b>	<b>185.9</b>	<b>155.4</b>	<b>+19.6%</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>Ratios*</b>	<b>Mar-23</b>	<b>Mar-22</b>	<b>Var.</b>
<b>Profitability</b>			
Income before taxes and MI/Average net assets	1.8%	1.5%	+0.3 p.p.
Net income from banking activity/Average net assets	2.7%	2.3%	+0.4 p.p.
Income before taxes and MI/Average equity	28.3%	20.2%	+8.1 p.p.
<b>Efficiency</b>			
Operating expenses/Net income from banking activity	31.3%	36.5%	-5.2 p.p.
Staff expenses/Net income from banking activity	16.7%	19.6%	-2.9 p.p.
<b>Transformation</b>			
Credit (net)/Deposits	111.7%	108.7%	+3.0 p.p.