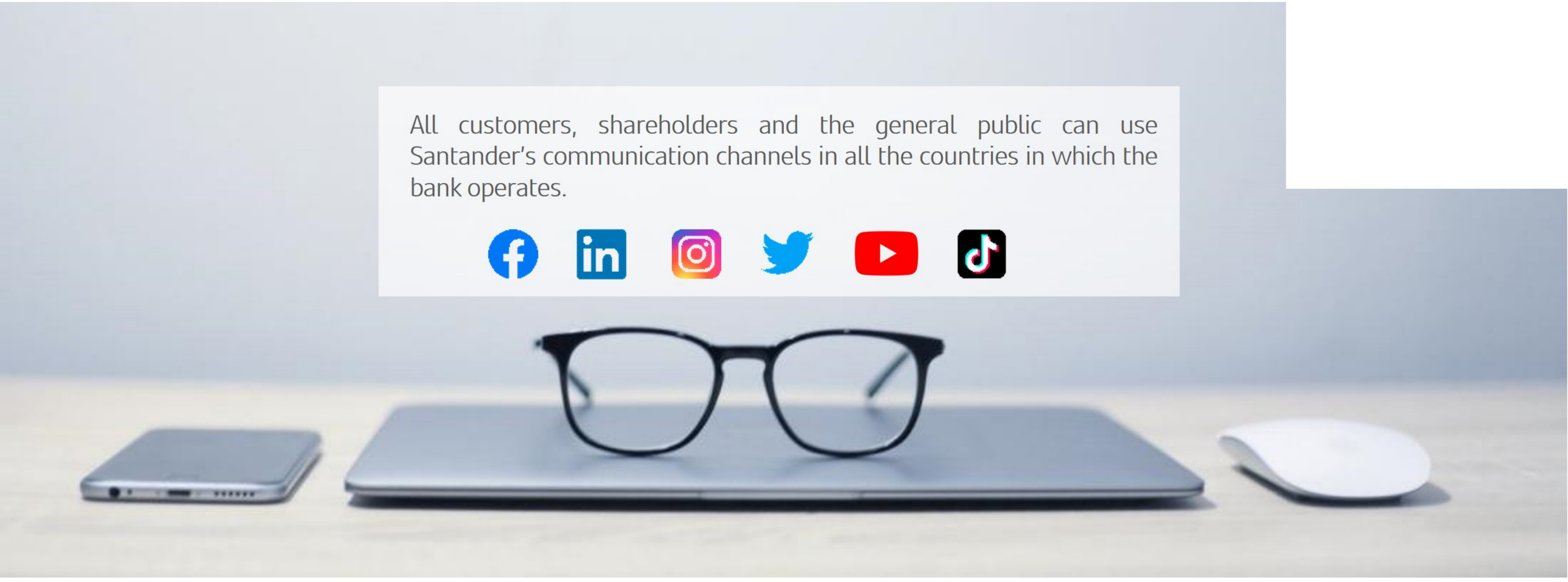
Financial Report

January - September

santander.com

Santander

Index



This report was approved by the board of directors on 25 October 2022, following a favourable report from the audit committee. Important information regarding this report can be found on pages 88 and 89.

Key consolidated data

BALANCE SHEET (EUR million)	Sep-22	Jun-22	%	Sep-22	Sep-21	%	Dec-21
Total assets	**1,815,792**	1,722,840	5.4	**1,815,792**	1,578,295	15.0	1,595,835
Loans and advances to customers	**1,067,466**	1,037,721	2.9	**1,067,466**	958,311	11.4	972,682
Customer deposits	**1,008,800**	973,787	3.6	**1,008,800**	909,034	11.0	918,344
Total funds	**1,241,548**	1,204,407	3.1	**1,241,548**	1,140,322	8.9	1,153,656
Total equity	**99,312**	97,462	1.9	**99,312**	95,624	3.9	97,053

Note: Total funds includes customer deposits, mutual funds, pension funds and managed portfolios.

INCOME STATEMENT (EUR million)	Q3'22	Q2'22	%	9M'22	9M'21	%	2021
Net interest income	**10,051**	9,554	5.2	**28,460**	24,654	15.4	33,370
Total income	**13,474**	12,815	5.1	**38,594**	34,626	11.5	46,404
Net operating income	**7,314**	6,915	5.8	**20,999**	18,848	11.4	24,989
Profit before tax	**3,846**	3,744	2.7	**11,761**	10,716	9.8	14,547
Profit attributable to the parent	**2,422**	2,351	3.0	**7,316**	5,849	25.1	8,124

Changes in constant euros:

Q3'22 / Q2'22: NII: +5.4%; Total income: +5.2%; Net operating income: +5.7%; Profit before tax: +2.5%; Attributable profit: +2.5%.

9M'22 / 9M'21: NII: +8.2%; Total income: +4.6%; Net operating income: +3.2%; Profit before tax: +0.1%; Attributable profit: +13.7%.

EPS, PROFITABILITY AND EFFICIENCY (%)	Q3'22	Q2'22	%	9M'22	9M'21	%	2021
EPS (euros)	**0.137**	0.131	4.9	**0.409**	0.313	30.5	0.438
RoE	**10.64**	10.44		**10.86**	9.54		9.66
RoTE	**13.38**	13.10		**13.57**	11.82		11.96
RoA	**0.61**	0.63		**0.64**	0.61		0.62
RoRWA	**1.75**	1.76		**1.82**	1.66		1.69
Efficiency ratio	**45.6**	46.0		**45.5**	45.6		46.2

UNDERLYING INCOME STATEMENT [1] (EUR million)	Q3'22	Q2'22	%	9M'22	9M'21	%	2021
Net interest income	**10,051**	9,554	5.2	**28,460**	24,654	15.4	33,370
Total income	**13,509**	12,815	5.4	**38,629**	34,626	11.6	46,404
Net operating income	**7,349**	6,915	6.3	**21,034**	18,848	11.6	24,989
Profit before tax	**3,846**	3,744	2.7	**11,761**	11,432	2.9	15,260
Profit attributable to the parent	**2,422**	2,351	3.0	**7,316**	6,379	14.7	8,654

Changes in constant euros:

Q3'22 / Q2'22: NII: +5.4%; Total income: +5.5%; Net operating income: +6.3%; Profit before tax: +2.5%; Attributable profit: +2.5%.

9M'22 / 9M'21: NII: +8.2%; Total income: +4.7%; Net operating income: +3.3%; Profit before tax: -5.7%; Attributable profit: +5.0%.

UNDERLYING EPS AND PROFITABILITY [1] (%)	Q3'22	Q2'22	%	9M'22	9M'21	%	2021
Underlying EPS (euros)	**0.137**	0.131	4.9	**0.409**	0.344	18.9	0.468
Underlying RoE	**10.64**	10.44		**10.86**	10.18		10.29
Underlying RoTE	**13.38**	13.10		**13.57**	12.61		12.73
Underlying RoA	**0.61**	0.63		**0.64**	0.65		0.65
Underlying RoRWA	**1.75**	1.76		**1.82**	1.76		1.78

SOLVENCY (%)	Sep-22	Jun-22	Sep-22	Sep-21	Dec-21
Fully-loaded CET1 ratio	**12.10**	12.05	**12.10**	11.85	12.12
Fully-loaded total capital ratio	**16.00**	15.95	**16.00**	15.82	16.41

CREDIT QUALITY (%)	Q3'22	Q2'22	9M'22	9M'21	2021
Cost of risk[2]	**0.86**	0.83	**0.86**	0.90	0.77
NPL ratio	**3.08**	3.05	**3.08**	3.18	3.16
Total coverage ratio	**70**	71	**70**	74	71

MARKET CAPITALIZATION AND SHARES	Sep-22	Jun-22	%	Sep-22	Sep-21	%	Dec-21
Shares (millions)	**16,794**	16,794	0.0	**16,794**	17,341	(3.2)	17,341
Share price (euros)	**2.398**	2.688	(10.8)	**2.398**	3.137	(23.6)	2.941
Market capitalization (EUR million)	**40,265**	45,143	(10.8)	**40,265**	54,389	(26.0)	50,990
Tangible book value per share (euros)	**4.31**	4.24		**4.31**	3.99		4.12
Price / Tangible book value per share (X)	**0.56**	0.63		**0.56**	0.79		0.71

CUSTOMERS (thousands)	Q3'22	Q2'22	%	9M'22	9M'21	%	2021
Total customers	**159,384**	156,896	1.6	**159,384**	151,433	5.3	152,943
Loyal customers	**26,841**	26,494	1.3	**26,841**	24,742	8.5	25,548
Loyal retail customers	**24,674**	24,361	1.3	**24,674**	22,588	9.2	23,359
Loyal SME & corporate customers	**2,167**	2,133	1.6	**2,167**	2,154	0.6	2,189
Digital customers	**50,451**	49,870	1.2	**50,451**	46,693	8.0	47,489
Digital sales / Total sales (%)	**55.5**	54.6		**55.5**	54.0		54.4

OTHER DATA	Sep-22	Jun-22	%	Sep-22	Sep-21	%	Dec-21
Number of shareholders	**3,928,568**	3,985,638	(1.4)	**3,928,568**	3,817,454	2.9	3,936,922
Number of employees	**203,376**	200,651	1.4	**203,376**	195,264	4.2	199,177
Number of branches	**9,134**	9,193	(0.6)	**9,134**	9,254	(1.3)	9,229

(1) In addition to financial information prepared in accordance with International Financial Reporting Standards (IFRS) and derived from our consolidated financial statements, this report contains certain financial measures that constitute alternative performance measures (APMs) as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA) on 5 October 2015, and other non-IFRS measures, including the figures related to "underlying" results, which do not include the items recorded in the separate line of "net capital gains and provisions", above the line of profit attributable to the parent. Further details are provided in the "Alternative performance measures" section of the appendix to this report.

For further details on the APMs and non-IFRS measures used, including their definition or a reconciliation between any applicable management indicators and the financial data presented in the annual consolidated financial statements prepared under IFRS, please see our 2021 Annual Financial Report, published in the CNMV on 25 February 2022, our 20-F report for the year ending 31 December 2021 filed with the SEC in the United States on 1 March 2022, as updated by the Form 6-K filed with the SEC on 8 April 2022 in order to reflect our new organizational and reporting structure, as well as the "Alternative performance measures" section of the appendix to this report.

(2) Allowances for loan-loss provisions over the last 12 months / Average loans and advances to customers over the last 12 months.

Our business model is based on three pillars

01. Customer focus

Deepening the relationships with our customers

Top 3 NPS[1]
in 6 out of 9 markets

159 mn
total customers

(1) NPS – internal benchmark of individual customers' satisfaction audited by Stiga / Deloitte in H1'22.

02. Our scale

Local scale and global reach

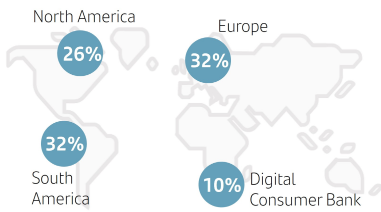
Top 3 in lending[2]
in 10 of our markets

(2) Market share in lending as of June 2022 including only privately-owned banks. UK benchmark refers to the mortgage market. Digital Consumer Bank (DCB) refers to auto in Europe.

03. Diversification

Geographic and business diversification

Balanced profit distribution[3]



SCIB WM&I PagoNxt

(3) 9M'22 underlying attributable profit by region. Operating areas excluding Corporate Centre.

Our business model remains a source of great strength and resilience

Our corporate culture

The **Santander Way** remains unchanged to continue to deliver for all our stakeholders

Our purpose

To help people and businesses **prosper**.

Our aim

To be the best open financial services **platform**, by acting **responsibly** and earning the lasting **loyalty** of our people, customers, shareholders and communities.

Our how

Everything we do should be **Simple, Personal and Fair**.

HIGHLIGHTS OF THE PERIOD

Attributable profit

+25 %

9M'21 EUR 5,849 mn
9M'22 **EUR 7,316 mn**

+14 % in constant euros

- In Q3'22, attributable profit amounted to EUR 2,422 million, including a charge of EUR 181 million (net of tax) as a result of the Polish mortgage payment holiday regulations. Profit was 3% higher than the second quarter (+11% excluding the aforementioned charge).

- In the first nine months of 2022, attributable profit rose to EUR 7,316 million, 25% more than in the same period of 2021 (+14% in constant euros).

  Underlying profit also amounted to EUR 7,316 million, 15% higher (+5% in constant euros) than the first nine months of 2021 (excluding a net charge for restructuring costs of EUR 530 million).

- Our geographic and business diversification to some extent protects us from adverse circumstances and enables us to resiliently face the indirect impacts arising from the Russia-Ukraine conflict. Santander's presence in and exposure to Russia and Ukraine is negligible.

Underlying attributable profit

+15 %

9M'21 EUR 6,379 mn
9M'22 **EUR 7,316 mn**

+5 % in constant euros

Shareholder remuneration[1]

EUR million

2021	Cash	Buyback	1,700
2022	Cash	Buyback	~ 1,900

+20% vs 2021 interim cash dividend

(1) Interim distribution.

- In applying the shareholder remuneration policy for 2022, the board of directors approved an interim distribution against 2022 results, which will be made in two parts:
  - A cash dividend of EUR 5.83 cents per share (pre-tax) which is expected to be paid from 2 November 2022 (20% higher than the equivalent in 2021).
  - A share repurchase programme of up to EUR 979 million is expected to start once the applicable regulatory approval has been obtained, as announced in the Inside Information disclosed on 27 September 2022.

  As a result, the total remuneration of this interim distribution will exceed EUR 1.9 billion (+16% compared to its equivalent in 2021) and represents approximately 40% of H1 2022 profit (c. 20% dividend payment and c. 20% share repurchase).

TNAV per share + cash dividend

+11 % / 9M'21

- TNAV per share was EUR 4.31, with 11% growth year-on-year including the cash dividends per share paid in May 2022 and the one already announced for November 2022. In the quarter, TNAV per share plus dividend increased 3%.

Helping people and businesses prosper

We support the green transition of our customers, are progressing towards our climate change and decarbonization goals while building a more sustainable bank and a more inclusive society

- Santander is the leader in renewable energy financing and mobilized close to EUR 78.7 billion between 2019 and the end of Q3'22. The Group's target is to mobilize EUR 220 billion in green finance by 2030.

- We continued to help our customers in their green transition with, for example, the financing of fully-electric vehicles.

- In 2022, we granted EUR 677 million in loans through our microfinance programmes to 1.1 million micro-entrepreneurs in 8 countries.

- We were named Best Global Bank for Financial Inclusion by *Euromoney*, highlighting our programmes in South America and Mexico, and Best Bank for Corporate Responsibility in Central and Eastern Europe for our support to refugees from the Russia-Ukraine conflict.

GROWTH

Customers: **159 million**
+8 million

Loans and advances to customers	Customer funds
+7%	+4%

Net interest income	Net fee income
+8%	+7%

Note: changes vs 9M'21 in constant euros

- Total customers amounted to 159 million, +8 million compared to September 2021 (+2.5 million in the third quarter). Loyal customers reached 26.8 million, 8% higher year-on-year.
- Digital adoption continued to be key, as we now have 50 million digital customers, an increase of 3.8 million since September 2021. In the first nine months of 2022, 56% of sales were made through digital channels.
- Business volumes continued to grow in a context of uncertainty. In this environment, loans and advances to customers increased 2% in the quarter and 10% year-on-year (+7% in constant euros). Customer funds rose 3% in the quarter (+2% in constant euros) and +8% year-on-year (+4% in constant euros).
- Greater activity, together with higher interest rates and margin management, was reflected in the 15% rise in net interest income and a 14% increase in net fee income (+8% and +7%, respectively, in constant euros).

PROFITABILITY

RoTE
+175 bps

9M'21	11.8%
9M'22	**13.6%**

- The increase in profit, underpinned by the positive performance across regions, Digital Consumer Bank (DCB) and the global businesses, was reflected in higher profitability.
- Sustained earnings per share growth, which rose +31% year-on-year to EUR 40.9 cents in the first nine months of 2022 (underlying EPS +19%).
- RoTE of 13.6%, RoRWA was 1.82%, both clearly exceeding figures from the first nine months of 2021.

STRENGTH

Cost of risk
-4 bps

9M'21	0.90%
9M'22	**0.86%**

- Regarding credit quality, the cost of risk stood at 0.86% (0.90% in September 2021).
- The NPL ratio was 3.08%, 3 bps higher quarter-on-quarter and 10 bps lower year-on-year, mainly due to the good performance in Europe and Digital Consumer Bank.
- Total loan-loss reserves reached EUR 24,813 million, with a coverage of 70% (-1 pp vs. Q2'22).

CET1 FL
+5 bps

Q2'22	12.05%
Q3'22	**12.10%**

- The fully-loaded CET1 ratio was 12.10%.

  In the quarter, net organic generation of 26 bps, resulting from gross organic generation of 34 bps from Q3'22 profit and an 8 bp charge for a future cash dividend payment[1]. In addition there were negative impacts, mainly from market performance and models.

(1) Implementation of the shareholder remuneration policy is subject to future corporate and regulatory decisions and approvals.

GRUPO SANTANDER RESULTS

Grupo Santander. Summarized income statement

EUR million

	Q3'22	Q2'22	Change %	Change % excl. FX	9M'22	9M'21	Change %	Change % excl. FX
Net interest income	10,051	9,554	5.2	5.4	28,460	24,654	15.4	8.2
Net fee income (commission income minus commission expense)	3,015	3,040	(0.8)	(0.3)	8,867	7,810	13.5	7.3
Gains or losses on financial assets and liabilities and exchange differences (net)	372	356	4.5	7.6	1,115	1,220	(8.6)	(13.1)
Dividend income	87	267	(67.4)	(67.5)	422	404	4.5	4.4
Share of results of entities accounted for using the equity method	189	179	5.6	5.6	501	295	69.8	61.9
Other operating income / expenses	(240)	(581)	(58.7)	(51.7)	(771)	243	—	—
Total income	**13,474**	**12,815**	**5.1**	**5.2**	**38,594**	**34,626**	**11.5**	**4.6**
Operating expenses	(6,160)	(5,900)	4.4	4.5	(17,595)	(15,778)	11.5	6.3
Administrative expenses	(5,367)	(5,162)	4.0	4.0	(15,360)	(13,714)	12.0	6.7
Staff costs	*(3,177)*	*(3,085)*	*3.0*	*2.8*	*(9,125)*	*(8,205)*	*11.2*	*6.3*
Other general administrative expenses	*(2,190)*	*(2,077)*	*5.4*	*5.7*	*(6,235)*	*(5,509)*	*13.2*	*7.2*
Depreciation and amortization	(793)	(738)	7.5	7.8	(2,235)	(2,064)	8.3	3.8
Provisions or reversal of provisions	(370)	(480)	(22.9)	(18.6)	(1,305)	(2,006)	(34.9)	(35.7)
Impairment or reversal of impairment of financial assets not measured at fair value through profit or loss (net)	(3,073)	(2,640)	16.4	16.0	(7,836)	(6,000)	30.6	21.5
Impairment on other assets (net)	(25)	(26)	(3.8)	(6.1)	(86)	(134)	(35.8)	(37.7)
Gains or losses on non-financial assets and investments, net	6	(6)	—	—	2	43	(95.3)	(96.3)
Negative goodwill recognized in results	—	—	—	—	—	—	—	—
Gains or losses on non-current assets held for sale not classified as discontinued operations	(6)	(19)	(68.4)	(67.1)	(13)	(35)	(62.9)	(66.9)
Profit or loss before tax from continuing operations	**3,846**	**3,744**	**2.7**	**2.5**	**11,761**	**10,716**	**9.8**	**0.1**
Tax expense or income from continuing operations	(1,164)	(1,072)	8.6	8.8	(3,538)	(3,725)	(5.0)	(13.6)
Profit from the period from continuing operations	**2,682**	**2,672**	**0.4**	**0.0**	**8,223**	**6,991**	**17.6**	**7.4**
Profit or loss after tax from discontinued operations	—	—	—	—	—	—	—	—
Profit for the period	**2,682**	**2,672**	**0.4**	**0.0**	**8,223**	**6,991**	**17.6**	**7.4**
Profit attributable to non-controlling interests	(260)	(321)	(19.0)	(18.0)	(907)	(1,142)	(20.6)	(25.7)
Profit attributable to the parent	**2,422**	**2,351**	**3.0**	**2.5**	**7,316**	**5,849**	**25.1**	**13.7**
EPS (euros)	**0.137**	**0.131**	**4.9**		**0.409**	**0.313**	**30.5**	
Diluted EPS (euros)	**0.137**	**0.130**	**4.9**		**0.408**	**0.312**	**30.5**	
Memorandum items:								
Average total assets	1,769,904	1,707,903	3.6		1,702,210	1,550,943	9.8	
Average stockholders' equity	91,044	90,035	1.1		89,854	83,574	7.5	

Executive summary

Profit. In constant euros

Strong profit growth underpinned by our geographic and business diversification

Attributable profit	
EUR 7,316 mn	**+14% vs 9M'21** +5% vs 9M'21 underlying att. profit

Performance. In constant euros

Revenue growth accelerated, costs under control and LLP growth slowed

Total income	Costs	Provisions
+4.7%	**+6.3%**	**+16.7%**

Efficiency

The Group's efficiency ratio improved, mainly driven by Europe

Group	Europe
45.5%	**47.4%**
-0.1 pp	-4.1 pp

Changes vs 9M'21.

Profitability

Strong improvement in our profitability ratios

RoTE		RoRWA	
13.6%		**1.82%**	
+1.8 pp	+1.0 pp [1]	+0.2 pp	+0.1 pp [2]

Changes vs 9M'21. 1. vs underlying RoTE. 2. vs under. RoRWA

➔ Results performance compared to 9M'21

The Group presents, both at the total level and for each of the business units, the changes in euros produced in the income statement, as well as variations excluding the exchange rate effect (FX), on the understanding that the latter provide a better analysis of the Group's management of the country units. For the Group as a whole, exchange rates had an impact of +7 pp in revenue and +5 pp in costs.

▶ Total income

Total income in **the first nine months of 2022** was EUR 38,594 million, up 11% compared to the same period in 2021. Excluding the exchange rate impact, total income increased 5%. Net interest income and net fee income accounted for 97% of total income. By line:

- **Net interest income** amounted to EUR 28,460 million, 15% higher compared to 9M 2021. Stripping out the exchange rate impact, growth was 8%, mainly due to greater volumes and higher interest rates.

  By country, and at constant exchange rates, there were increases in the UK (+12%), Poland (+104%), the US (+2%, +4% without the Bluestem portfolio disposal in 2021), Mexico (+12%), Chile (+1%) and Argentina (+142%).

  On the other hand, Spain remained flat due to lower ALCO portfolio volumes, lower TLTRO contribution and a change of mix towards mortgages. Brazil fell (-1%) due to its negative sensitivity to interest rate hikes and Portugal fell 6% impacted by lower ALCO portfolio and TLTRO contributions. All three improved their trend in the third quarter, with Spain and Portugal rising compared to the second quarter, and Brazil remained stable.

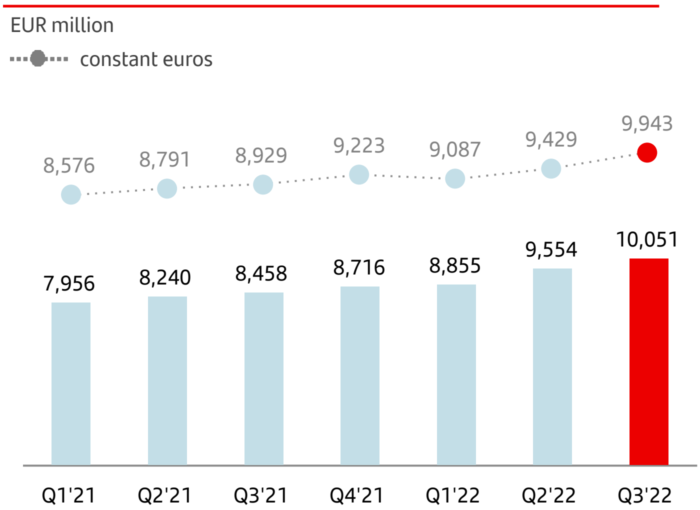
- **Net fee income** was EUR 8,867 million, up 14% compared to the first nine months of 2021. Excluding the exchange rate impact, net fee income increased 7%, driven by higher volumes and improved activity.

  There was strong growth in high value-added products and services, as card and point of sale turnover increased 16% and 29%, respectively, and card transactions were 14% higher. Transactional fees rose 9%.

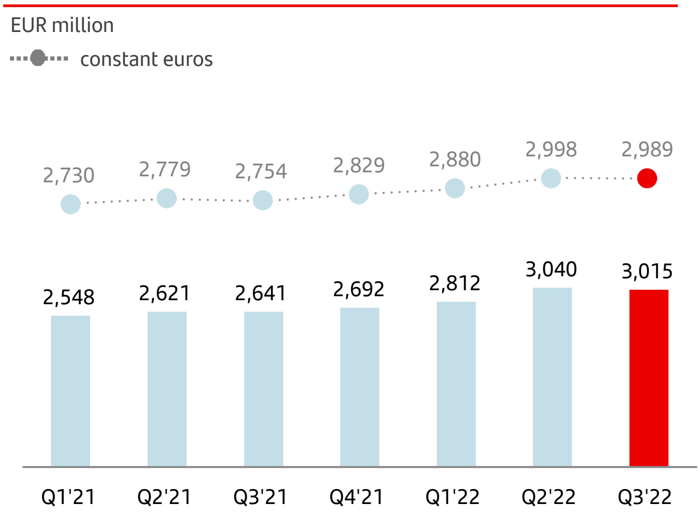
  In Wealth Management & Insurance (WM&I), net fee income from mutual funds and pensions grew 3% and insurance premiums rose 24%.

  In Santander Corporate & Investment Banking (SCIB), net fee income increased 9%, with double-digit growth in its core businesses.

Net interest income



Net fee income



Together, the two businesses accounted for close to 50% of the Group's total fee income (SCIB: 17%; WM&I: 31%).

By region, net fee income in Europe was up 6%, supported by growth in all countries except the UK (transfer of its SCIB business in Q4 2021). There was a 4% increase in North America, as the US was dampened by the Bluestem portfolio disposal in 2021. Excluding it, net fee income would have increased 7% in the region. The 20% increase in Mexico was driven by net fee income from payments, insurance and mutual funds. South America was up 11% driven by greater transactionality, with growth in all main countries and Digital Consumer Bank rose 2% driven by greater new lending.

- **Gains on financial transactions**, accounted for 3% of total income and were 9% lower year-on-year at EUR 1,115 million (-13% excluding the exchange rate impact), due to the negative impact of FX hedges at the Corporate Centre which offset the positive impact of exchange rates in the countries' results. In addition, there were decreases in Portugal and Mexico, due to ALCO portfolio sales recorded in 9M'21, and the US backed by lower capital market activity.
- **Dividend income** was EUR 422 million in the first nine months of 2022, increasing 4% in both euros and constant euros.
- **The results of entities accounted for using the equity method** rose 70% (62% excluding the exchange rate impact) to EUR 501 million, due to the greater contribution from Group entities in Spain and Brazil.
- **Other operating income** stood at -EUR 771 million compared to EUR 243 million in the first nine months of 2021.

  Several effects justify this movement: lower leasing income in North America, greater contribution to the SRF, the creation of an Institutional Protection Scheme in Poland in Q2'22, and finally, the impact of high inflation in Argentina.

Costs

Operating costs amounted to EUR 17,595 million, 12% higher than in the first nine months of 2021 (+6% excluding the exchange rate impact), due to the sharp increase in inflation. In real terms (excluding the rise in average inflation), costs fell 5% in constant euros.

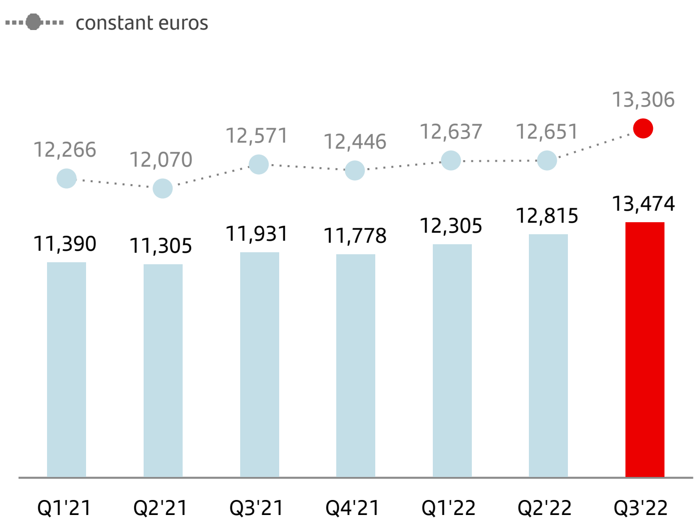
Our disciplined cost management enabled us to maintain one of the best efficiency ratios in the sector, which stood at 45.5%, a 0.1 pp improvement on the first nine months of 2021. Our transformation plan continued to progress across countries towards a more integrated and digital operating model, with better business dynamics and improved customer service and satisfaction.

The year-on-year trends in costs in constant euros were as follows:

- In Europe, costs rose 1%, which translates into a 7% drop in real terms, on the back of our transformation process and operational improvements. In real terms, there were falls across the region: -11% in Spain, -6% in the UK, -18% in Portugal and -4% in Poland. The region's efficiency ratio was 47.4% (-4.1 pp compared to the first nine months of 2021), improving in all countries.
- In North America, costs increased 5%. In real terms, they were down 3%. They remained flat in the US (-8% in real terms) while Mexico recorded an increase due to wage increases, digitalization and technology, and by the increase in supply costs affected by inflation at 8%. The efficiency ratio stood at 47.0% (+2.7 pp compared to the first nine months of 2021).
- In South America, the rise in costs (+17%) was significantly distorted by soaring average inflation in the region (+19%, due to +61% in Argentina) which was reflected in salary increases in Brazil and Argentina. In real terms, costs in Brazil fell 2%, -3% in Chile and they rose 24% in Argentina. The efficiency ratio was 36.3% (+1.6 pp compared to the first nine months of 2021).
- In Digital Consumer Bank, cots rose 2% affected by inflation, strategic investments, transformational costs and business growth. In real terms, costs fell 5%. The efficiency ratio stood at 47.7% (+0.1 pp compared to the first nine months of 2021).

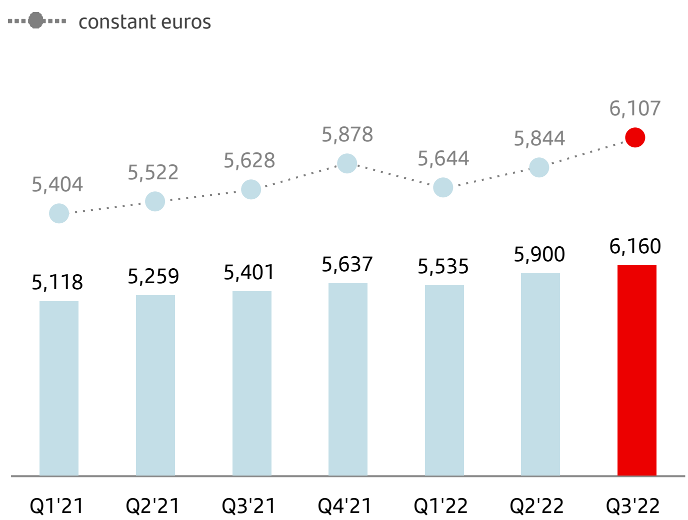
Total income

EUR million



Operating expenses

EUR million



▶ **Provisions or reversal of provisions**

Provisions (net of provisions reversals) amounted to EUR 1,305 million (EUR 2,006 million in in the first nine months of 2021). This item includes the charges for restructuring costs recorded in 2021 (EUR 530 million net of tax).

▶ **Impairment or reversal of impairment of financial assets not measured at fair value through profit or loss (net)**

Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss (net) amounted to EUR 7,836 million, 31% higher than in the first nine months of 2021 (+22% in constant euros). This comparison was affected by the releases recorded in the UK and the US in Q2 2021, macro provisions in 2022 (mainly in Spain, the UK and the US) resulting from a potential macroeconomic slowdown, the charges in Poland and DCB for CHF mortgages and the new mortgage payment holiday regulations in Poland (EUR 287 million). Lastly, there was a year-on-year rise in Brazil, driven by individuals, although they showed a decline in the third quarter.

▶ **Impairment on other assets (net)**

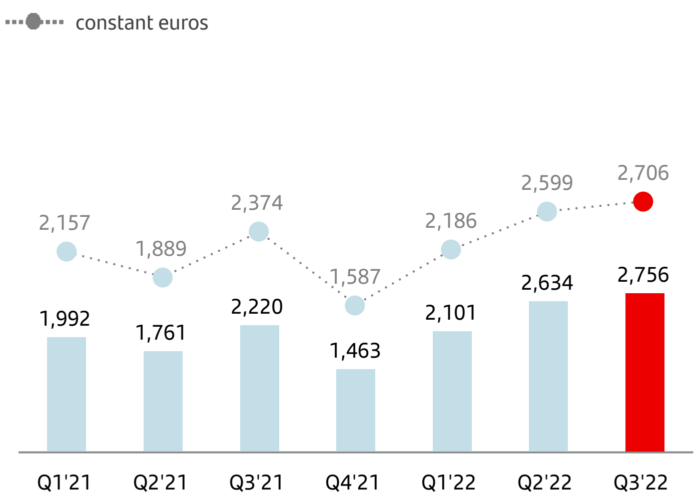
The impairment on other assets (net) stood at EUR 86 million, down from EUR 134 million in the first nine months of 2021.

▶ **Gains or losses on non-financial assets and investments (net)**

EUR 2 million was recorded in this line in the first nine months of 2022 (EUR 43 million in the first nine months of 2021).

Net loan-loss provisions

EUR million



▶ **Negative goodwill recognized in results**

No negative goodwill was recorded in the first nine months of 2022 or in the same period of 2021.

▶ **Gains or losses on non-current assets held for sale not classified as discontinued operations**

This item, which mainly includes impairment of foreclosed assets recorded and the sale of properties acquired upon foreclosure, totalled -EUR 13 million in the first nine months of 2022, compared to -EUR 35 million in the first nine months of 2021.

▶ **Profit before tax**

Profit before tax was EUR 11,761 million in the first nine months of 2022, 10% higher compared to the first nine months of 2021 (practically stable in constant euros).

▶ **Income tax**

Total corporate income tax was EUR 3,538 million (EUR 3,725 million in the first nine months of 2021).

▶ **Profit attributable to non-controlling interests**

Profit attributable to non-controlling interests amounted to EUR 907 million, down 21% year-on-year (-26% excluding the exchange rate impact), mainly due to the buyback of minority interests of SC USA in the US.

▶ **Profit attributable to the parent**

Profit attributable to the parent amounted to EUR 7,316 million in the first nine months of 2022, compared to EUR 5,849 million in the same period of 2021. The evolution of the aforementioned income statement items is reflected in a profit growth of 25% in euros and 14% in constant euros.

RoTE stood at 13.57%, RoRWA at 1.82% and earnings per share at EUR 0.409 (11.82%, 1.66% and EUR 0.313, respectively, in the first nine months of 2021).

▶ Underlying profit attributable to the parent

Underlying profit attributable to the parent recorded the same amount as profit attributable to the parent in 9M'22, as profit was not affected by the recording of results that are outside the ordinary course of our business. As such, attributable profit and underlying profit attributable to the parent in 9M'22 both amounted to EUR 7,316 million.

In 9M'21, profit attributable to the parent was affected by restructuring costs, mainly in the UK and Portugal. Excluding these charges from the line where they were recorded, and including them separately in the net capital gains and provisions line, adjusted profit or underlying profit attributable to the parent in 9M'21 stood at EUR 6,379 million.

As a result, profit in 9M'22 was 15% higher in euros and +5% in constant euros compared to the adjusted or underlying profit in the same period of 2021.

For more details, see 'Alternative Performance Measures' section in the appendix of this report.

The Group's cost of risk (considering the last 12 months) stood at 0.86%, (0.90% in September 2021).

Before recording loan-loss provisions, Grupo Santander's underlying net operating income (total income less operating expenses) was EUR 21,034 million, 12% higher year-on-year in euros, +3% excluding the FX impact. This is the highest net operating income ever recorded in the first nine months of a year. The performance in constant euros is detailed below.

By line:

- Total income increased mainly due to net interest income (+8%), continuing with its quarter-after-quarter improvement, and net fee income (+7%), which recovered further given the greater commercial activity.
- Costs were driven up by soaring inflation.

By region:

- In Europe, net operating income increased 19% underscored by higher total income and costs stability.
- In North America, net operating income fell 7%, -5% excluding the impact from the sale of the Bluestem portfolio in 2021, dampened by lower net fee income and leasing income in the US. Growth in Mexico was 12%.
- In South America, net operating income growth was 5% with rises in all countries, with the exception of Brazil which remained flat.
- In Digital Consumer Bank, net operating income increased 2%.

In the first nine months of 2022, Grupo Santander's underlying RoTE was 13.57%, underlying RoRWA was 1.82% and underlying earnings per share was EUR 0.409 (12.61%, 1.76% and EUR 0.344, respectively, in the first nine months of 2021).

Summarized underlying income statement

EUR million			Change				Change	
	Q3'22	Q2'22	%	% excl. FX	9M'22	9M'21	%	% excl. FX
Net interest income	10,051	9,554	5.2	5.4	28,460	24,654	15.4	8.2
Net fee income	3,015	3,040	(0.8)	(0.3)	8,867	7,810	13.5	7.3
Gains (losses) on financial transactions (1)	372	356	4.5	7.6	1,115	1,220	(8.6)	(13.1)
Other operating income	71	(135)	—	—	187	942	(80.1)	(82.4)
Total income	**13,509**	**12,815**	**5.4**	**5.5**	**38,629**	**34,626**	**11.6**	**4.7**
Administrative expenses and amortizations	(6,160)	(5,900)	4.4	4.5	(17,595)	(15,778)	11.5	6.3
Net operating income	**7,349**	**6,915**	**6.3**	**6.3**	**21,034**	**18,848**	**11.6**	**3.3**
Net loan-loss provisions	(2,756)	(2,634)	4.6	4.1	(7,491)	(5,973)	25.4	16.7
Other gains (losses) and provisions	(747)	(537)	39.1	43.5	(1,782)	(1,443)	23.5	22.2
Profit before tax	**3,846**	**3,744**	**2.7**	**2.5**	**11,761**	**11,432**	**2.9**	**(5.7)**
Tax on profit	(1,164)	(1,072)	8.6	8.8	(3,538)	(3,911)	(9.5)	(17.4)
Profit from continuing operations	**2,682**	**2,672**	**0.4**	**—**	**8,223**	**7,521**	**9.3**	**0.4**
Net profit from discontinued operations	—	—	—	—	—	—	—	(100.0)
Consolidated profit	**2,682**	**2,672**	**0.4**	**—**	**8,223**	**7,521**	**9.3**	**0.4**
Non-controlling interests	(260)	(321)	(19.0)	(18.0)	(907)	(1,142)	(20.6)	(25.7)
Net capital gains and provisions	—	—	—	—	—	(530)	(100.0)	(100.0)
Profit attributable to the parent	**2,422**	**2,351**	**3.0**	**2.5**	**7,316**	**5,849**	**25.1**	**13.7**
Underlying profit attributable to the parent (2)	**2,422**	**2,351**	**3.0**	**2.5**	**7,316**	**6,379**	**14.7**	**5.0**

(1) Includes exchange differences.
(2) Excludes net capital gains and provisions.

Results performance compared to the previous quarter

Underlying profit attributable to the parent and profit attributable to the parent recorded the same amount in Q3'22 as profit was not affected by results outside the ordinary course of our business.

Q2'22 was also not affected by results outside the ordinary course of our business and as such underlying profit attributable to the parent and profit attributable to the parent were the same.

Profit in the third quarter amounted to EUR 2,422 million, including a EUR 181 million (net of tax) charge mainly as a result of the Polish mortgage payment holiday regulations. Profit was 3% higher than second quarter (+2% in constant euros) and +11% excluding the aforementioned charge (+10% in constant euros).

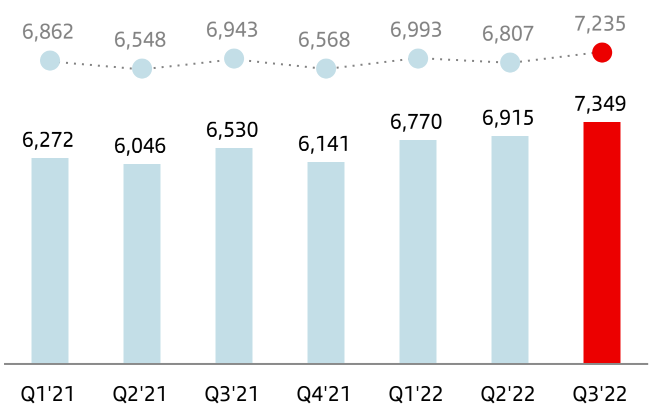
The performance of the main lines of the income statement in constant euros was as follows:

- Total income increased significantly in the quarter (+5%) with overall improvement in all regions, DCB, SCIB and WM&I, partially favoured by the contributions made to the SRF and BFG in the second quarter.
- Of note was the net interest income increase, up 5% due to higher interest rates and volumes. By region, 7% rise in Europe, driven by all countries. In North America, net interest income growth was 6%, with a positive performance both in the US and Mexico. South America rose 5%, as the decline in Chile compared to an exceptionally high second quarter and stability in Brazil (due to the negative sensitivity to interest rate hikes and growth in less profitable and lower-risk products) were offset by the rise in Argentina.
- Net fee income remained flat in Europe (seasonality, lower deposit earnings in SCIB and a one-off in cards in the second quarter in the UK), and North America (due to lower net fee income from global businesses in the US). On the other hand, South America increased 5%.
- Gains on financial transactions increased 8%, due to CIB performance in Spain and Argentina.
- Costs rose 4% affected by the overall increase in inflation and labour agreements in Mexico, Brazil and Argentina.
- Net loan-loss provisions increased 4% mainly due to the US, where it is normalizing from historical lows. On the other hand, decreases in some units, such as Brazil, Chile and Mexico.
- Other losses and provisions rose 44%, negatively affected by the aforementioned charge related to mortgage payment holidays.

Net operating income

EUR million

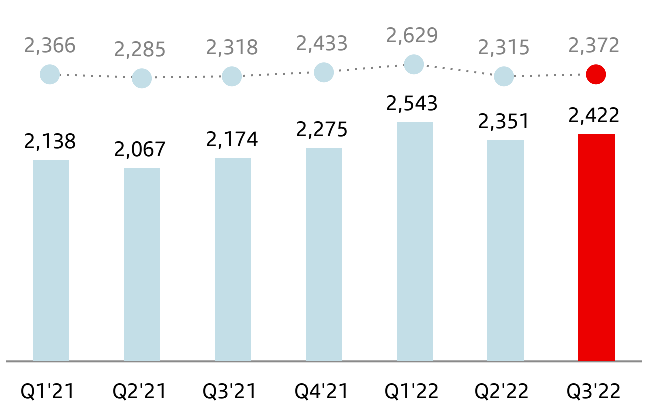
constant euros



Underlying profit attributable to the parent[1]

EUR million

constant euros



(1) Excluding net capital gains and provisions.

Grupo Santander. Condensed balance sheet

EUR million

Assets	Sep-22	Sep-21	Change Absolute	Change %	Dec-21
Cash, cash balances at central banks and other demand deposits	246,533	191,035	55,498	29.1	210,689
Financial assets held for trading	179,775	122,967	56,808	46.2	116,953
Debt securities	37,655	30,834	6,821	22.1	26,750
Equity instruments	9,271	14,586	(5,315)	(36.4)	15,077
Loans and advances to customers	14,131	3,651	10,480	287.0	6,829
Loans and advances to central banks and credit institutions	35,480	17,246	18,234	105.7	14,005
Derivatives	83,238	56,650	26,588	46.9	54,292
Financial assets designated at fair value through profit or loss	15,462	42,126	(26,664)	(63.3)	21,493
Loans and advances to customers	7,306	22,930	(15,624)	(68.1)	10,826
Loans and advances to central banks and credit institutions	618	11,876	(11,258)	(94.8)	3,152
Other (debt securities an equity instruments)	7,538	7,320	218	3.0	7,515
Financial assets at fair value through other comprehensive income	87,915	109,570	(21,655)	(19.8)	108,038
Debt securities	78,117	98,016	(19,899)	(20.3)	97,922
Equity instruments	2,030	2,690	(660)	(24.5)	2,453
Loans and advances to customers	7,768	8,864	(1,096)	(12.4)	7,663
Loans and advances to central banks and credit institutions	—	—	—	—	—
Financial assets measured at amortized cost	1,173,274	1,011,994	161,280	15.9	1,037,898
Debt securities	68,727	34,079	34,648	101.7	35,708
Loans and advances to customers	1,038,261	922,867	115,394	12.5	947,364
Loans and advances to central banks and credit institutions	66,286	55,048	11,238	20.4	54,826
Investments in subsidiaries, joint ventures and associates	7,805	7,684	121	1.6	7,525
Tangible assets	35,662	32,446	3,216	9.9	33,321
Intangible assets	18,789	16,246	2,543	15.7	16,584
Goodwill	14,138	12,645	1,493	11.8	12,713
Other intangible assets	4,651	3,601	1,050	29.2	3,871
Other assets	50,577	44,227	6,350	14.4	43,334
Total assets	**1,815,792**	**1,578,295**	**237,497**	**15.0**	**1,595,835**
Liabilities and shareholders' equity					
Financial liabilities held for trading	132,563	80,147	52,416	65.4	79,469
Customer deposits	12,451	4,809	7,642	158.9	6,141
Debt securities issued	—	—	—	—	—
Deposits by central banks and credit institutions	18,792	5,350	13,442	251.3	7,526
Derivatives	82,505	55,086	27,419	49.8	53,566
Other	18,815	14,902	3,913	26.3	12,236
Financial liabilities designated at fair value through profit or loss	44,599	47,900	(3,301)	(6.9)	32,733
Customer deposits	35,994	36,694	(700)	(1.9)	25,608
Debt securities issued	5,442	5,401	41	0.8	5,454
Deposits by central banks and credit institutions	3,163	5,805	(2,642)	(45.5)	1,671
Other	—	—	—	—	—
Financial liabilities measured at amortized cost	1,493,298	1,317,759	175,539	13.3	1,349,169
Customer deposits	960,355	867,531	92,824	10.7	886,595
Debt securities issued	279,591	238,882	40,709	17.0	240,709
Deposits by central banks and credit institutions	214,164	180,221	33,943	18.8	191,992
Other	39,188	31,125	8,063	25.9	29,873
Liabilities under insurance contracts	777	779	(2)	(0.3)	770
Provisions	8,341	9,815	(1,474)	(15.0)	9,583
Other liabilities	36,902	26,271	10,631	40.5	27,058
Total liabilities	**1,716,480**	**1,482,671**	**233,809**	**15.8**	**1,498,782**
Shareholders' equity	123,340	118,380	4,960	4.2	119,649
Capital stock	8,397	8,670	(273)	(3.1)	8,670
Reserves (including treasury stock)	108,606	104,702	3,904	3.7	103,691
Profit attributable to the Group	7,316	5,849	1,467	25.1	8,124
Less: dividends	*(979)*	*(841)*	*(138)*	*16.4*	*(836)*
Other comprehensive income	(32,316)	(32,992)	676	(2.0)	(32,719)
Minority interests	8,288	10,236	(1,948)	(19.0)	10,123
Total equity	**99,312**	**95,624**	**3,688**	**3.9**	**97,053**
Total liabilities and equity	**1,815,792**	**1,578,295**	**237,497**	**15.0**	**1,595,835**

GRUPO SANTANDER BALANCE SHEET

Executive summary [1]

Loans and advances to customers (excl. reverse repos)

Positive trend in loans and advances to customers continued, increasing both QoQ and YoY

1,040 EUR billion	+2% QoQ	+7% YoY

➔ **By segment** (YoY changes):

Growth backed by individuals and large corporates

Individuals	SMEs and corporates	CIB
+7%	+2%	+14%

Customer funds (deposits excl. repos + mutual funds)

Customer funds continued to grow, mainly backed by customer deposits

1,129 EUR billion	+2% QoQ	+4% YoY

➔ **By product** (YoY changes):

Demand deposits accounted for 64% of customer funds. Increase in time deposits due to higher interest rates and mutual funds were impacted by market performance

Demand	Time	Mutual funds
+1%	+27%	-5%

(1) Changes in constant euros.

➔ Loans and advances to customers

Loans and advances to customers stood at EUR 1,067,466 million at 30 September, +3% quarter-on-quarter and +11% year-on-year.

For the purpose of analysing traditional commercial banking loans, the Group uses gross loans and advances to customers excluding reverse repos, which exceeded EUR 1 trillion (EUR 1,040,457 million). In order to facilitate the analysis of the Group's management, the comments below do not include the exchange rate impact.

In the quarter, gross loans and advances to customers, excluding reverse repos, rose 2%, as follows:

- **Europe** rose 1% with increases in the UK and Spain, while Portugal and Poland remained flat.
- **North America** rose 2**%** with equal growth both in Mexico and the US.
- In **South America**, loans increased 4%, with Brazil increasing 4%, Chile +3%, Argentina +14% and Uruguay +5%.
- **Digital Consumer Bank (DCB)** rose 2%, with Openbank also growing 2%.

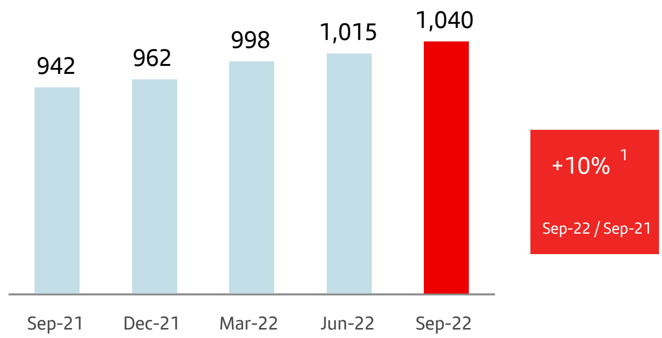
Compared to September 2021, gross loans and advances to customers (excluding reverse repos and the FX impact) grew 7%, with broad-based growth across countries, as follows:

- In **Europe**, growth was 5%. Spain rose 7% (individuals and private banking), Poland rose 6% (corporates, institutions and CIB), the UK rose 4% (mortgages) and Portugal was up 1% (mortgages).
- **+9% in North America** as the US grew 8% propelled by auto financing, CIB and CRE (commercial real estate), while Mexico was up 13% with rises in most segments, except SMEs.
- Growth in **South America** was 13%, with Chile +11% backed by individuals, Brazil increased +10% owing to individuals and corporates, Argentina rose +68% driven by auto, SMEs and corporates and Uruguay recorded a 15% increase.
- **DCB** increased 6%, receiving an uplift from new lending, which rose 10% year-on-year, and increased in most countries. Openbank increased 42%.

As of September 2022, gross loans and advances to customers excluding reverse repos maintained a balanced structure: individuals (61%), SMEs and corporates (24%) and SCIB (15%).

Gross loans and advances to customers (excl. reverse repos)

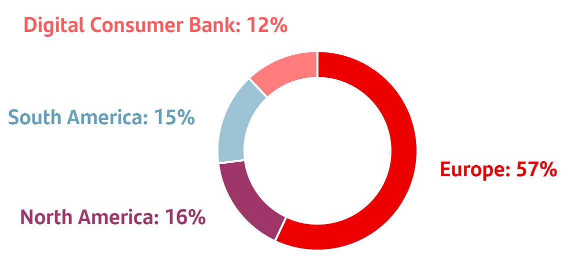
EUR billion



(1) In constant EUR: +7%.

Gross loans and advances to customers (excl. reverse repos)

% operating areas. September 2022



➔ Customer funds

Customer deposits amounted to EUR 1,008,800 million in September 2022, increasing 4% quarter-on-quarter and 11% year-on-year.

The Group uses customer funds (customer deposits excluding repos, plus mutual funds) for the purpose of analysing traditional retail banking funds, which amounted to EUR 1,129,020 million in September 2022. Just as for loans and advances to customers, the comments below do not include the exchange rate impact:

- **In the third quarter**, customer funds grew 2%, as follows:
  - By product, customer deposits excluding repos increased 2% and mutual funds fell 1%.
  - By primary segment, customer funds rose in the three regions while DCB remained stable. By country, customer funds increased 4% in Spain, 3% in Poland and the US, +5% in Chile and +15% in Argentina. In Portugal and Mexico customer funds decreased 2%, while Brazil was practically unchanged.
- **Compared to September 2021**, customer funds were up 4%, excluding the exchange rate impact:
  - By product, deposits excluding repos rose 6%. Demand deposits grew 1% (with rises Europe and falls in North and South America) and time deposits were 27% higher driven by Europe and North America. Mutual funds dropped 5% with widespread falls across most countries due to the impact from markets and the rising interest rate environment.
  - By region, customer funds increased 4% in Europe, with rises in Spain (+8%), Portugal (+1%) and Poland (+1%), while the UK decreased 2%. There was a 2% rise in North America (the US: +4%; Mexico: -0.4%) and +5% South America (Brazil: +2%; Chile: -5%; Argentina: +73%; Uruguay: +17%).
  - 6% rise in DCB, where Openbank increased 9%.

With this performance, the weight of demand deposits as a percentage of total customer funds was 64%, time deposits accounted for 20% of the total and mutual funds 16%.

In addition to capturing customer deposits, the Group, for strategic reasons, maintains a selective policy of issuing securities in the international fixed income markets and strives to adapt the frequency and volume of its market operations to the structural liquidity needs of each unit, as well as to the receptiveness of each market.

In the first nine months of 2022, the Group **issued**:

- Medium- and long-term covered bonds amounting to EUR 9,041 million and EUR 16,170 million of senior debt placed in the market.
- There were EUR 13,751 million of securitizations placed in the market. Additionally, we extended the maturity of an additional EUR 158 million.
- In order to strengthen the Group's situation, issuances to meet the TLAC requirement amounted to EUR 9,716 million (EUR 9,594 million of senior non-preferred debt and EUR 122 million of subordinated debt).
- Maturities of medium- and long-term debt totalled EUR 21,622 million.

The net loan-to-deposit ratio was 106% (105% in September 2021). The ratio of deposits plus medium- and long-term funding to the Group's loans was 118%, underscoring the comfortable funding structure.

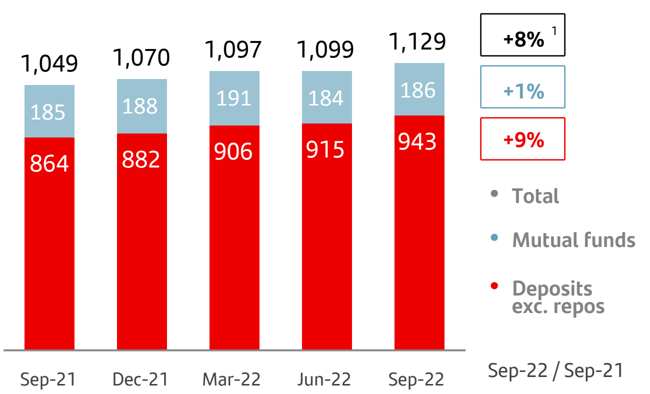
The Group's access to wholesale funding markets as well as the cost of issuances depends, in part, on the ratings of the **rating agencies**.

The ratings of Banco Santander, S.A. by the main rating agencies were: Fitch A- senior non-preferred debt, A senior long-term and F2/F1 senior short-term; Moody's A2 long-term and P-1 short-term; and DBRS A High and R-1 Medium short-term. In December 2021, Standard & Poor's (S&P) raised its long-term rating to A+ (from A) and maintained its short-term rating at A-1. Moody's, DBRS and Fitch maintained their stable outlooks. In March 2022, S&P upgraded it to stable as a result of the sovereign's outlook upgrade.

Sometimes the methodology applied by the agencies limits a bank's rating to the sovereign rating of the country where it is headquartered. Banco Santander, S.A. is still rated above the sovereign debt rating of the Kingdom of Spain by Moody's, DBRS and S&P and at the same level by Fitch, which demonstrates our financial strength and diversification.

Customer funds

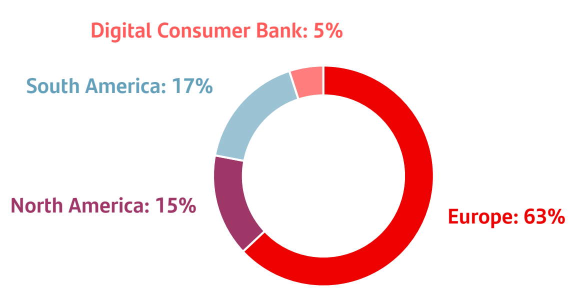
EUR billion



(1) In constant EUR: +4%.

Customer funds

% operating areas. September 2022



SOLVENCY RATIOS

Executive summary

Fully-loaded capital ratio

Fully-loaded CET1 ratio exceeded 12% at the end of September 2022

Fully-loaded CET1 ratio

We continued to generate capital organically in the quarter, backed by profit and RWA management

Gross organic generation	**+34 bps**
Cash dividend accrual[1]	-8 bps

TNAV per share

TNAV per share was **EUR 4.31**, +3% quarter-on-quarter and 11% higher year-on-year including cash dividends

At the end of September 2022, the total phased-in capital ratio (applying the IFRS 9 transitional arrangements) stood at 16.18% and the phased-in CET1 ratio at 12.24%. We comfortably meet the levels required by the European Central Bank on a consolidated basis (13.01% for the total capital ratio and 8.86% for the CET1 ratio). This results in a distance to the maximum distributable amount (MDA) of 307 bps and a CET1 management buffer of 338 bps.

The total fully-loaded capital ratio stood at 16.00% and the fully-loaded CET1 ratio at 12.10%.

We maintained strong net organic generation in the quarter, 26 bps, resulting from gross organic generation of 34 bps (from Q2'22 profit and RWA management), and the 8 bp accrual for the future cash dividend payment[1].

Additionally, in the quarter there was a 15 bp negative impact from markets (mainly from portfolio valuations) and -6 bps from models.

The fully-loaded leverage ratio stood at 4.59%, and the phased-in at 4.63%.

Lastly, the TNAV per share ended September 2022 at EUR 4.31, +3% quarter-on-quarter including the EUR 5.83 cents cash dividend to be paid in November, but which has already been deducted from shareholder's equity. Compared to the same period last year, TNAV per share increased 11%, including the previously mentioned dividend, and EUR 5.15 cent cash dividend paid in May 2022.

Eligible capital. September 2022

EUR million

	Fully-loaded	Phased-in*
CET1	74,653	75,499
Basic capital	83,667	84,513
Eligible capital	**98,724**	**99,773**
Risk-weighted assets	617,116	616,738
CET1 capital ratio	**12.10**	**12.24**
Tier 1 capital ratio	**13.56**	**13.70**
Total capital ratio	**16.00**	**16.18**

Fully-loaded CET1 ratio performance

%

(1) Cash dividend accrual corresponding to 20% of Q3'22 profit. The implementation of the shareholder remuneration policy is subject to future corporate and regulatory decisions and approvals.
(*) The phased-in ratio includes the transitory treatment of IFRS 9, calculated in accordance with article 473 bis of the Capital Requirements Regulation (CRR2) and subsequent modifications introduced by Regulation 2020/873 of the European Union. Total phased-in capital ratios include the transitory treatment according to chapter 4, title 1, part 10 of the CRR2.

RISK MANAGEMENT

Executive summary

Credit risk

Credit quality indicators increased slightly in response to macro economic uncertainty, inflationary pressure and the resulting reaction of the central banks

Cost of risk[2]	NPL ratio	Coverage ratio
0.86%	3.08%	70%
+3 bps vs Q2'22	+3 bps vs Q2'22	-1 pp vs Q2'22

Market risk

Our risk profile remains stable with just a slight rise in the VaR levels, despite the current uncertainty

Q3'22 Average VaR **EUR 15 million**

Structural and liquidity risk

Robust and diversified liquidity buffer, with ratios well above regulatory requirements

Liquidity Coverage Ratio (LCR)[3]

169% +4 pp vs Q2'22

Operational risk

Losses, by Basel categories, were lower than the previous quarter

Monitoring of Russia-Ukraine conflict effects

The Russia-Ukraine conflict is having a significant impact on the global economy, with rising commodity prices, supply chain disruptions and rapidly rising inflation.

The impacts of the rising inflation will depend on the intensity and duration of the measures taken by the different central banks, who currently face the challenge of balancing economic growth and inflation.

Our diversification across countries, together with our proactive risk management, is helping us to maintain our medium-low risk profile despite the current economic environment.

Credit risk management

Total risk exposure increased slightly to EUR 1,156,548 million, +2% in comparison to the second quarter and +8% year-on-year, both in constant euros.

Credit impaired loans: stood at EUR 35,600 million, 2% higher in constant euros compared to the previous quarter, in line with the aforementioned portfolio growth.

The **NPL ratio** rose slightly in the quarter (+3 bps) and stood at 3.08%, explained by the performance in North and South America, partially offset by the positive trend in Europe and Digital Consumer Bank. In the year-on-year comparison, the NPL ratio was 10 bps lower.

Loan-loss provisions amounted to EUR 2,756 million in the third quarter, 4% higher compared to the previous quarter in constant euros. Considering the first nine months of the year, loan-loss provisions amounted to EUR 7,491 million (+17% year-on-year in constant euros), driven mainly by a potential economic slowdown and the provisions releases in 2021. As a consequence, the **cost of risk** stood at 0.86% (+3 bps compared to Q2'22, although at lower levels than the previous year).

This loan-loss provisions performance brought the total **loan-loss reserves** to EUR 24,813 million, a 2% decrease year to date in constant euros.

Total coverage of credit impaired loans remained stable at 70% compared to the previous quarter. It should be noted that a significant part of our portfolios in Spain and the UK has real estate collateral, which requires lower coverage levels.

Key metrics performance by geographic area

	Loan-loss provisions[1]		Cost of risk (%)[2]		NPL ratio (%)		Total coverage ratio (%)	
	9M'22	Chg (%) / 9M'21	9M'22	Chg (bps) / 9M'21	9M'22	Chg (bps) / 9M'21	9M'22	Chg (pp) / Q1'21
Europe	1,760	(6.0)	0.36	(12)	2.58	(57)	49.7	(1.4)
North America	1,666	35.6	1.12	(34)	2.79	23	102.7	(36.6)
South America	3,633	34.5	3.11	58	5.54	116	84.7	(14.0)
Digital Consumer Bank	429	(4.7)	0.43	(14)	2.20	5	95.6	(17.2)
TOTAL GROUP	**7,491**	**16.7**	**0.86**	**(4)**	**3.08**	**(10)**	**69.7**	**(4.3)**

(1) EUR million and % change in constant euros.

(2) Allowances for loan-loss provisions over the last 12 months / Average loans and advances to customers over the last 12 months.

(3) Provisional data.

For more detailed information regarding the countries, please see the Alternative Performance Measures section.

The Group closely monitors the performance of government liquidity programmes, mainly concentrated in Spain, as the payment holiday periods are reaching their end, with no signs of deterioration.

IFRS 9 stages evolution: the distribution of the portfolio remained stable in the quarter.

Coverage ratio by stage

EUR billion

	Exposure[1]			Coverage		
	Sep-22	Jun-22	Sep-21	Sep-22	Jun-22	Sep-21
Stage 1	1,030	998	912	0.5%	0.5%	0.5%
Stage 2	70	66	67	7.7%	8.5%	8.6%
Stage 3	36	34	33	41.0%	40.1%	43.0%

1. Exposure subject to impairment. Additionally, in September 2022 there was EUR 21 billion in loans and advances to customers not subject to impairment recorded at mark to market with changes through P&L (EUR 23 billion in June 2022 and EUR 27 billion in September 2021).

Stage 1: financial instruments for which no significant increase in credit risk is identified since its initial recognition.

Stage 2: if there has been a significant increase in credit risk since the date of initial recognition but the impairment event has not materialized, the financial instrument is classified in Stage 2.

Stage 3: a financial instrument is catalogued in this stage when it shows effective signs of impairment as a result of one or more events that have already occurred resulting in a loss.

Credit impaired loans and loan-loss allowances

EUR million

		Change (%)	
	Q3'22	QoQ	YoY
Balance at beginning of period	34,259	(4.0)	3.0
Net additions	3,703	75.1	69.2
Increase in scope of consolidation	—	—	—
Exchange rate differences and other	496	—	—
Write-offs	(2,858)	(12.8)	40.1
Balance at period-end	**35,600**	**3.9**	**7.7**
Loan-loss allowances	**24,813**	**2.6**	**1.4**
For impaired assets	14,603	6.3	2.8
For other assets	10,210	(2.4)	(0.5)

Market risk

The risk associated with global corporate banking trading activity is mainly interest rate driven, focused on servicing our customers' needs and measured in daily VaR terms at 99%.

In the third quarter of 2022, the VaR fluctuated around an average value of EUR 15 million, reflecting our low market risk profile in a context that remains highly volatile, as a result of the impact of the Russia-Ukraine conflict on energy prices and its effect on inflation, increasing the pressure on central banks. By the end of the quarter, VaR was EUR 13 million. These figures remain low compared to the size of the Group's balance sheet and activity.

Trading portfolios.(1) VaR by geographic region

EUR million

	2022		2021
Third quarter	Average	Latest	Average
Total	**14.6**	**13.4**	**10.6**
Europe	14.1	13.7	9.9
North America	2.0	1.7	2.6
South America	7.7	6.0	5.9

1. Activity performance in Santander Corporate & Investment Banking markets.

Trading portfolios.(1) VaR by market factor

EUR million

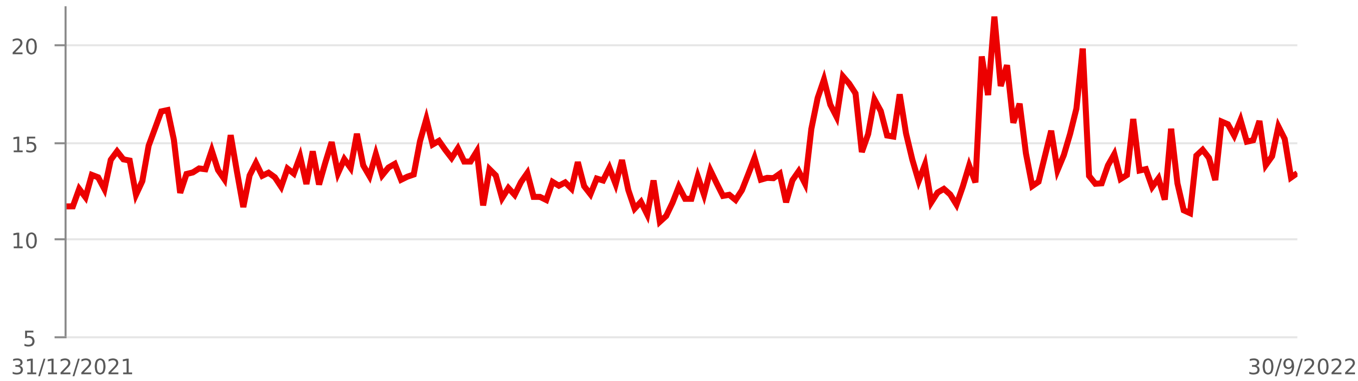
Third quarter 2022	Min.	Avg.	Max.	Last
VaR total	**11.3**	**14.6**	**21.5**	**13.4**
Diversification effect	*(8.4)*	*(13.3)*	*(22.3)*	*(14.9)*
Interest rate VaR	9.7	12.8	19.3	13.2
Equity VaR	2.5	3.3	5.1	3.3
FX VaR	2.7	4.4	7.2	3.6
Credit spreads VaR	3.6	5.0	7.8	7.0
Commodities VaR	1.3	2.4	4.4	1.3

1. Activity performance in Santander Corporate & Investment Banking markets.

Note: In the North America, South America and Asia portfolios, VaR corresponding to the credit spreads factor other than sovereign risk is not relevant and is included in the interest rate factor.

Trading portfolios[1]. VaR performance

EUR million



1. Corporate & Investment Banking performance in financial markets.

Structural and liquidity risk

Structural exchange rate risk: mainly driven by transactions in foreign currencies related to permanent financial investments, their results and related hedges. Our dynamic management of this risk seeks to limit the impact of foreign exchange rate movements on the Group's core capital ratio. In the third quarter, currency hedging impacting this ratio remained close to 100%.

Structural interest rate risk: the persistence of high levels of inflation caused significant adjustments in the monetary policies of some central banks such as the ECB or the Fed, with interest rate markets reflecting these movements. In this context, our structural debt portfolios continued to be negatively impacted. Despite the volatility of the markets during the quarter, the risk remained at comfortable levels.

Liquidity risk: the Group maintained a comfortable liquidity risk position, supported by a robust and diversified liquidity buffer, with ratios well above regulatory limits. During the third quarter, the Group issued a mortgage covered bond of EUR 3,500 million in a multi-tranche operation to obtain liquidity. This kind of operation has been reactivated within the Eurozone as a result of the current economic conjuncture.

Operational risk

In general, our operational risk profile remained stable in the third quarter of 2022, after a moderate increase in the beginning of the year. The following aspects were closely monitored during this period:

- IT risks arising from transformation plans related to business strategy and development of digital capabilities, as well as proactive management of obsolete technology and IT services provided by third parties, in order to ensure availability of services and operations.
- Regulatory compliance, due to increasing regulatory requirements (such as ESG, operational resilience, data management regulations, among others) across the Group.
- New types of fraud, mainly in online banking transactions (e.g. customer fraud) and in the loan admission processes (e.g. identity theft).
- We continued to focus on consumer protection and Financial Crime Compliance monitoring, and compliance with international financial measures and sanctions due to the Russia-Ukraine conflict.
- Cyber threats across the financial industry, focused on alerts derived from the Russia-Ukraine conflict, strengthening the bank's monitoring and control environment mechanisms.
- Third party risk exposure, maintaining close oversight of critical providers, focusing on their control environment including business continuity capabilities, supply chains, cyber risk management and compliance with service level agreements.

Regarding the third quarter performance, losses (by Basel categories) were lower than the previous quarter.

GENERAL BACKGROUND

Grupo Santander conducted its business in the third quarter of 2022 in an environment marked by market volatility, uncertainty stemming from the Russia-Ukraine conflict, and its impact on gas supply in Europe, in addition to other factors, such as China's zero-covid strategy and consequent impacts on global production chains. This has exacerbated the already high pricing pressures, accelerating inflation globally and for longer than expected. Against this backdrop, central banks in mature and developing countries moved ahead with monetary policy normalization, which will likely lead to a slowdown in the global economy in the coming quarters due to rising interest rates.

Country	GDP Change[1]	Economic performance
Eurozone	+1.4%	GDP showed solid growth during Q2'22, driven by the services sector, with the unemployment rate falling to historic lows (6.6% in August). Inflation surprised on the upside (9.9% in September), with a rise in core inflation. In this context, the ECB raised its interest rates twice, from -0.50% before the first increase (July) to 0.75% today.
Spain	+1.3%	In Q2'22, the reopening after covid-19 restrictions (which allowed tourism to recover) offset the uncertainty stemming from the Russia-Ukraine conflict. The labour market remained dynamic, although recent data indicates a slowdown. Although inflation eased in September (8.9%), it remains high and core inflation, at 6.2% is particularly concerning.
United Kingdom	+0.9%	The recovery ran out of steam and the economy faced adverse circumstances such as rising inflation (10.1% in September) and higher interest rates (2.25%) to contain it. Both measures reduced household purchasing power. The result was a slowdown, that will get worse in the coming quarters However, the labour market remained strong (3.5% unemployment rate).
Portugal	+2.5%	The strong performance in exports offset the worse domestic demand, as GDP remained broadly flat in Q2. High inflation (9.3% in September) affected activity in Q3, although demand should remain stable due to accumulated household savings. The Q2'22 unemployment rate fell to 5.7%. Public accounts continued to improve.
Poland	+0.3%	Economic growth continued to lose momentum in Q2'22 due to the consequences of the Russia-Ukraine conflict. Government measures to support households in the face of sharp price increases (CPI was 17.2% in September) and supply cuts, as well as the strong labour market (unemployment rate at 2.6%) should mean economic growth will slow gradually. The official interest rate was raised to 6.5%.
United States	-0.6%	Inflation remained high (8.2% in September) and core inflation rose to 6.6%. Employment continued to grow at a healthy pace and unemployment remained at historically low levels. To contain inflation, the Fed increased rates aggressively (300 bps in 7 months) and expects further hikes this year, increasing fears of recession.
Mexico	+2.1%	The economy continued to grow at the beginning of Q3'22 supported by expansion in industry and service sector. However, greater global uncertainty and high inflation (8.7% in September) could result in a slowdown. The central bank reaffirmed its commitment to price stability and accelerated interest rate hikes (150 bps in Q3'22 to 9.25%), suggesting higher rates in the coming months.
Brazil	+2.4%	After the solid growth in the first half of the year, economic growth remained dynamic, supported by industry and service sector expansion, and the lowest unemployment rate since 2015 (8.9%). Inflation subsided (7.2% in September) and expectations started to ease. The central bank, raised the official rate in August (50 bps to 13.75%), but left it stable in September, though maintained its restrictive tone.
Chile	-0.6%	Following strong growth in 2021, the economy began an adjustment process in 2022, as fiscal and monetary stimulus effects from the previous year faded. Inflation remained high (13.7% in September) and the central bank continued to raise the official rate (+175 bps in Q3'22 to 10.75%) with an additional hike in October to 11.25%, but suggested stability in the future.
Argentina	+2.2%	The IMF approved the second review of Argentina's programme, allowing it to refinance its debt maturities with the organization until the end of the year. The economy grew 1% quarter-on-quarter in Q2'22 and inflation remained high (6.8% monthly average in Q3'22). The central bank continued to raise the official rate to 75% in Q3'22 (vs. 52% in Q2'22).

(1) Year-on-year change for H1'22.

DESCRIPTION OF SEGMENTS

We base segment reporting on financial information presented to the chief operating decision maker, which excludes certain statutory results items that distort year-on-year comparisons and are not considered for management reporting. This financial information (underlying basis) is computed by adjusting reported results for the effects of certain gains and losses (e.g. capital gains, write-downs, impairment of goodwill, etc.). These gains and losses are items that management and investors ordinarily identify and consider separately to better understand the underlying trends in the business.

Santander has aligned the information in this chapter with the underlying information used internally for management reporting and with that presented in the Group's other public documents.

Santander's executive committee has been selected to be its chief operating decision maker. The Group's operating segments reflect its organizational and managerial structures. The executive committee reviews internal reporting based on these segments to assess performance and allocate resources.

The segments are split by geographic area in which profits are earned and type of business. We prepare the information by aggregating the figures for Santander's various geographic areas and business units, relating it to both the accounting data of the business units integrated in each segment and that provided by management information systems. The same general principles as those used in the Group are applied.

With the aim of increasing transparency and improving capital allocation to continue enhancing our profitability, on 4 April 2022, we announced that, starting and effective with the financial information for the first quarter of 2022, inclusive, we would carry out the following modifications to our reporting:

a. Main changes in the composition of Grupo Santander's segments announced in April 2022

The main changes, which have been applied to management information for all periods included in the consolidated financial statements, are the following:

1. Reallocation of certain financial costs from the Corporate Centre to the country units:
   - Further clarity in the MREL/TLAC regulation makes it possible to better allocate the cost of eligible debt issuances to the country units.
   - Other financial costs, primarily associated with the cost of funding the excess capital held by the country units above the Group's CET1 ratio, have been reassigned accordingly.
2. Downsizing of Other Europe:
   - The Corporate & Investment Banking branches of Banco Santander, S.A. in Europe and other business lines previously reported under 'Other Europe' have been now integrated into the Spain unit to reflect how the business will be managed and supervised, in line with other regions.

The Group recast the corresponding information of earlier periods considering the changes included in this section to facilitate a homogeneous comparison.

In addition to these changes, we completed the usual annual adjustment of the perimeter of the Global Customer Relationship Model between Retail Banking and Santander Corporate & Investment Banking and between Retail Banking and Wealth Management & Insurance.

The above-mentioned changes have no impact on the Group's reported consolidated financial figures.

b. Current composition of Grupo Santander segments

Primary segments

This primary level of segmentation, which is based on the Group's management structure, comprises five reportable segments: four operating areas plus the Corporate Centre. The operating areas are:

Europe: comprises all business activity carried out in the region, except that included in Digital Consumer Bank. Detailed financial information is provided on Spain, the UK, Portugal and Poland.

North America: comprises all the business activities carried out in Mexico and the US, which includes the holding company (SHUSA) and the businesses of Santander Bank, Santander Consumer USA (SC USA), the specialized business unit Banco Santander International, Santander Investment Securities (SIS), Santander's New York branch and Amherst Pierpont Securities (APS).

South America: includes all the financial activities carried out by Grupo Santander through its banks and subsidiary banks in the region. Detailed information is provided on Brazil, Chile, Argentina, Uruguay, Peru and Colombia.

Digital Consumer Bank: includes Santander Consumer Finance, which incorporates the entire consumer finance business in Europe, Openbank and ODS.

Secondary segments

At this secondary level, Grupo Santander is structured into Retail Banking, Santander Corporate & Investment Banking (SCIB), Wealth Management & Insurance (WM&I) and PagoNxt.

Retail Banking: this covers all customer banking businesses, including consumer finance, except those of corporate banking which are managed through Santander Corporate & Investment Banking and asset management, private banking and insurance, which are managed by Wealth Management & Insurance. The results of the hedging positions in each country are also included, conducted within the sphere of their respective assets and liabilities committees.

Santander Corporate & Investment Banking: this business reflects revenue from global corporate banking, investment banking and markets worldwide including treasuries managed globally (always after the appropriate distribution with Retail Banking customers), as well as equity business.

Wealth Management & Insurance: includes the asset management business (Santander Asset Management), the corporate unit of Private Banking and International Private Banking in Miami and Switzerland (Santander Private Banking) and the insurance business (Santander Insurance).

PagoNxt: this includes digital payment solutions, providing global technology solutions for our banks and new customers in the open market. It is structured into four businesses: Merchant, International Trade, Payments and Consumer.

In addition to these operating units, both primary and secondary segments, the Group continues to maintain the Corporate Centre, that includes the centralized activities relating to equity stakes in financial companies, financial management of the structural exchange rate position, assumed within the sphere of the Group's assets and liabilities committee, as well as management of liquidity and shareholders' equity via issuances, adapting this management to the changes described above.

As the Group's holding entity, this area manages all capital and reserves and allocations of capital and liquidity with the rest of businesses. It also incorporates goodwill impairment but not the costs related to the Group's central services (charged to the areas), except for corporate and institutional expenses related to the Group's functioning.

The businesses included in each of the primary segments in this report and the accounting principles under which their results are presented here may differ from the businesses included and accounting principles applied in the financial information separately prepared and disclosed by our subsidiaries (some of which are publicly listed) which in name or geographical description may seem to correspond to the business areas covered in this report. Accordingly, the results of operations and trends shown for our business areas in this document may differ materially from those of such subsidiaries.

The results of our business areas presented below are provided on the basis of underlying results only and including the impact of foreign exchange rate fluctuations. However, for a better understanding of the changes in the performance of our business areas, we also provide and discuss the year-on-year changes to our results excluding such exchange rate impacts.

Certain figures contained in this report, including financial information, have been subject to rounding to enhance their presentation. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables contained in this report may not conform exactly to the total figure given for that column or row.

January-September 2022

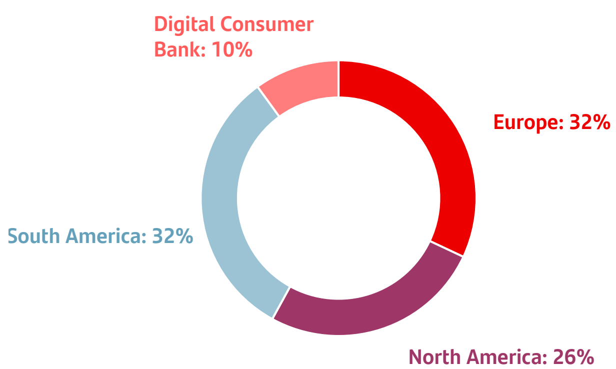
Main items of the underlying income statement

EUR million

Primary segments	Net interest income	Net fee income	Total income	Net operating income	Profit before tax	Underlying profit attributable to the parent
Europe	**8,998**	**3,441**	**13,273**	**6,977**	**4,076**	**2,837**
Spain	3,134	2,172	6,058	3,118	1,497	1,104
United Kingdom	3,695	295	4,031	2,023	1,535	1,138
Portugal	516	366	933	557	524	360
Poland	1,424	403	1,780	1,270	512	229
Other	229	205	471	10	8	5
North America	**7,102**	**1,450**	**9,021**	**4,782**	**3,005**	**2,271**
US	4,546	588	5,667	3,032	1,908	1,489
Mexico	2,556	831	3,312	1,845	1,198	874
Other	0	31	42	(95)	(101)	(92)
South America	**9,838**	**3,350**	**13,613**	**8,677**	**4,656**	**2,884**
Brazil	6,672	2,412	9,671	6,661	3,316	2,027
Chile	1,440	341	1,934	1,197	889	551
Argentina	1,347	445	1,413	604	312	234
Other	378	152	594	215	138	72
Digital Consumer Bank	**3,032**	**629**	**3,887**	**2,034**	**1,581**	**908**
Corporate Centre	**(510)**	**(3)**	**(1,165)**	**(1,437)**	**(1,558)**	**(1,583)**
TOTAL GROUP	**28,460**	**8,867**	**38,629**	**21,034**	**11,761**	**7,316**
Secondary segments						
Retail Banking	**25,767**	**5,759**	**31,634**	**17,834**	**8,815**	**5,891**
Corporate & Investment Banking	**2,637**	**1,517**	**5,597**	**3,562**	**3,499**	**2,364**
Wealth Management & Insurance	**554**	**982**	**1,907**	**1,149**	**1,118**	**818**
PagoNxt	**11**	**611**	**655**	**(74)**	**(114)**	**(173)**
Corporate Centre	**(510)**	**(3)**	**(1,165)**	**(1,437)**	**(1,558)**	**(1,583)**
TOTAL GROUP	**28,460**	**8,867**	**38,629**	**21,034**	**11,761**	**7,316**

Underlying profit attributable to the parent distribution*

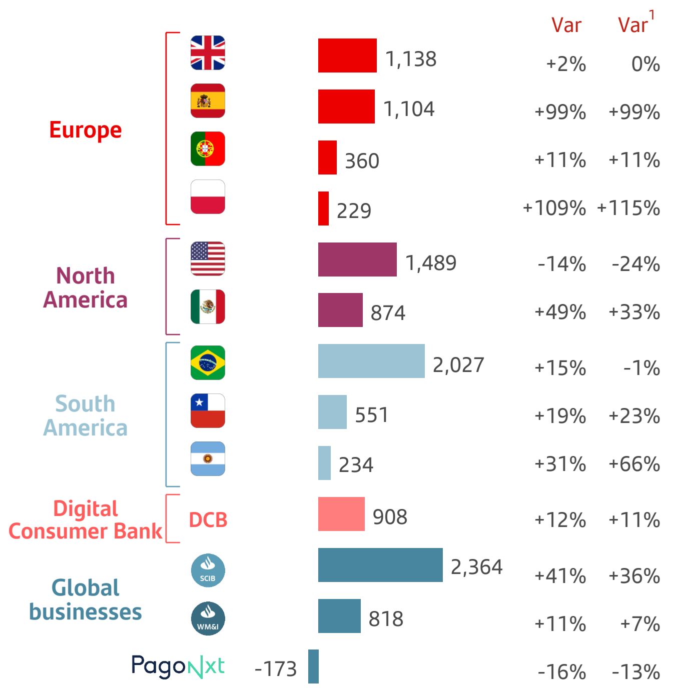
January - September 2022



(*) As a % of operating areas. Excluding the Corporate Centre.

Underlying profit attributable to the parent. 9M'22

EUR million. % change YoY in constant euros



(1) Changes in constant euros.

January-September 2021

Main items of the underlying income statement

EUR million

Primary segments	Net interest income	Net fee income	Total income	Net operating income	Profit before tax	Underlying profit attributable to the parent
Europe	**7,857**	**3,237**	**12,018**	**5,825**	**3,095**	**2,121**
Spain	3,137	2,057	5,909	2,898	772	553
United Kingdom	3,232	352	3,589	1,652	1,587	1,120
Portugal	548	325	1,020	591	471	324
Poland	719	386	1,157	674	259	109
Other	221	118	342	10	7	15
North America	**5,986**	**1,247**	**8,166**	**4,549**	**3,405**	**2,218**
US	3,942	606	5,506	3,160	2,704	1,732
Mexico	2,043	617	2,643	1,466	808	588
Other	0	24	18	(77)	(108)	(102)
South America	**8,242**	**2,726**	**11,290**	**7,374**	**4,678**	**2,462**
Brazil	5,776	2,027	8,079	5,713	3,520	1,758
Chile	1,475	294	1,833	1,124	856	462
Argentina	704	272	925	371	189	178
Other	287	133	452	166	113	64
Digital Consumer Bank	**3,027**	**616**	**3,795**	**1,990**	**1,422**	**809**
Corporate Centre	**(459)**	**(15)**	**(642)**	**(891)**	**(1,168)**	**(1,232)**
TOTAL GROUP	**24,654**	**7,810**	**34,626**	**18,848**	**11,432**	**6,379**

Secondary segments						
Retail Banking	**22,629**	**5,244**	**28,957**	**16,283**	**9,292**	**5,398**
Corporate & Investment Banking	**2,135**	**1,322**	**4,268**	**2,568**	**2,478**	**1,680**
Wealth Management & Insurance	**350**	**911**	**1,709**	**1,033**	**1,022**	**739**
PagoNxt	**(2)**	**349**	**334**	**(145)**	**(191)**	**(206)**
Corporate Centre	**(459)**	**(15)**	**(642)**	**(891)**	**(1,168)**	**(1,232)**
TOTAL GROUP	**24,654**	**7,810**	**34,626**	**18,848**	**11,432**	**6,379**

EUROPE

Underlying attributable profit

EUR 2,837 mn

Executive summary

→ We continue to **accelerate our business transformation in One Santander** in Europe, in order to achieve superior growth and a more efficient operating model. This should allow us to further **improve profitability and increase RoTE** in the coming years.

→ **Generalized growth in volumes** quarter-on-quarter and in the last 12 months, when **loans grew 5% and deposits 7%** in constant euros.

→ **Higher revenue**, together with **efficiency improvement** and **better cost of risk**, led to an underlying attributable profit of EUR 2,837 million, up 34% year-on-year in euros and +32% excluding the exchange rate impact.

Strategy

Our goal with One Santander in Europe is to create a better bank to which our customers and our people feel a deep connection and that delivers sustainable value for our shareholders with a positive impact on society. In order to achieve our goals of growing our customer base and loyalty while delivering a more efficient and profitable business model, we are making progress in the business transformation through our action plan, defined around three main blocks:

- Growing our business by better serving our customers through regional simplification and an improved value proposition.
- Redefining customer interaction by enhancing our digital capabilities to offer comprehensive experiences (such as OneApp).
- Creating a common operating model that embeds technology into our business, leveraging our scale in the region.

Key developments by country in the quarter:

- **Spain**: we focused on accelerating profitable growth by strengthening the customer base by continuously improving the experience in our channels and simplifying our products; automating processes which reduces the cost to serve; and proactively managing risk. All while continuing to develop a more agile organization.
- **United Kingdom**: in an environment of rising interest rates, we focused on managing the spread between assets and liabilities. Our transformation programme continued to provide efficiency improvements through process simplification and digitalization.
- **Portugal**: we continued to implement our process transformation plan, focusing on improving service quality, to increase our customer base. Profit grew thanks to sustained customer revenue, lower costs and adequate risk management.

Loyal customers	Europe	Spain	UK	Portugal	Poland
Thousands	**10,669**	2,967	4,464	908	2,329
YoY change	**+5%**	+8%	+2%	+7%	+6%

Digital customers	Europe	Spain	UK	Portugal	Poland
Thousands	**17,218**	5,789	6,956	1,073	3,235
YoY change	**+8%**	+9%	+6%	+9%	+11%

- **Poland**: we remained focused on providing the best customer and employee experience by simplifying our products and internal processes through digitalization, while developing platforms to accelerate our progress towards our responsible banking commitments.

Additionally, and to deliver on our targets to tackle climate change, we developed a new governance structure, identifying five key verticals for which we have appointed business leaders in each country: green buildings, clean mobility, renewable energy, agro and circular economy. With this specialization, we strive to create business opportunities to help our customers. We launched different initiatives in each of the countries, to later export the best proposals to the rest of the region.

Regarding digitalization, Santander recently received the *Global Finance* award for Best Digital Bank for companies in Spain, and Best App for Companies in Europe.

Business performance

In the third quarter, we continued to operate in a complex and uncertain macro environment, marked by the continuation of the Russia-Ukraine conflict, as inflationary pressures, widespread interest rate hikes and market volatility and, consequently, lower growth expectations remained.

Loans and advances to customers grew 3% year-on-year. In gross terms, excluding the exchange rate impact and reverse repurchase agreements, growth was 5%, driven by mortgages (mainly in the UK and Spain, but also by the positive trends in Portugal) and cards (primarily in the UK and Portugal). Loans to corporates and SMEs decreased slightly year-on-year affected by the lower demand in long-term products due to interest rate hikes. Poland was the exception with growth in the corporate sector.

Customer deposits rose 5%. Excluding the exchange rate impact and repurchase agreements, they increased 7%, with positive trends in all countries except the UK, where rising interest rates continued to increase competition to capture funds, especially in the retail segment. To reverse the trend, we are actively working on several customer acquisition campaigns. Mutual funds decreased due to the higher interest rate environment, particularly in Poland.

Results

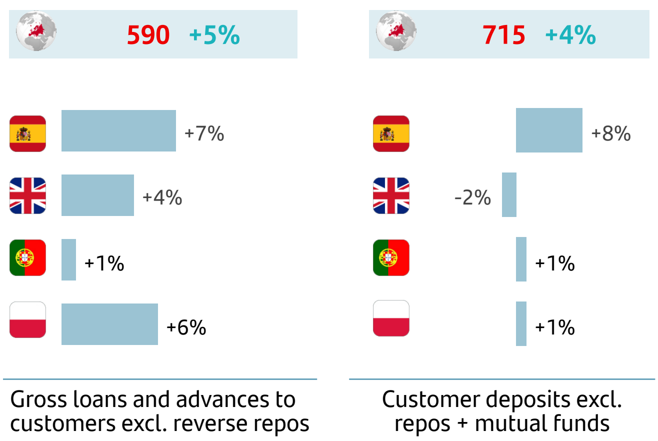
Underlying attributable profit **in the first nine months of 2022** was EUR 2,837 million, after absorbing the EUR 175 million charge (net of tax) related to the mortgage payment holidays in Poland, and was 34% higher than in the same period of 2021. Excluding the exchange rate impact, profit rose 32%, as follows:

- Total income was up 10%, driven by net interest income in the UK and Poland, benefitting from higher volumes and interest rate hikes. Moreover, following the ECB rate hikes, the net interest margin improved in the quarter in all countries.
- Net fee income increased mainly from CIB and payment methods. These increases were partially offset by lower ALCO and TLTRO contributions and higher payments to the deposit guarantee fund in Poland.
- Costs grew by 1% in a high-inflation environment, which offset savings from our transformation plans. In real terms, total costs fell by 7%.
- Loan-loss provisions decreased 6% year-on-year, even with the new CHF portfolio related provisions in Poland, primarily driven by Spain. Additionally, we recorded provisions related to the updated macro outlooks in Spain and the UK.

In the quarter, the profit increased 22% supported by revenue growth (net interest income and lower regulatory charges), cost control and the good cost of risk performance, partially offset by the aforementioned charge related to the mortgage payment holidays.

Europe. Business performance. September 2022

EUR billion and YoY % change in constant euros



Europe. Underlying income statement

EUR million and % change

		/ Q2'22			/ 9M'21	
	Q3'22	%	excl. FX	9M'22	%	excl. FX
Revenue	4,692	+10	+10	13,273	+10	+10
Expenses	-2,132	+1	+2	-6,296	+2	+1
Net operating income	**2,559**	**+18**	**+18**	**6,977**	**+20**	**+19**
LLPs	-614	-3	-2	-1,760	-6	-6
PBT	1,384	+15	+16	4,076	+32	+30
Underlying attrib. profit	**998**	**+22**	**+22**	**2,837**	**+34**	**+32**

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Spain

Underlying attributable profit

EUR 1,104 mn

Commercial activity and business performance

The quarter was marked by rising inflation and the ECB's response, with two interest rate hikes.

In individuals, we maintained positive commercial dynamics in consumption, while mortgages showed a certain slowdown as a consequence of interest rate hikes, though still grew year-on-year. Consequently, new protection insurance volumes were also affected but continued to grow year-on-year.

In corporates, short-term financing maintained its solid quarterly pace, with confirming (+8%) and foreign trade (+6%) standing out. Interest rate hikes shifted the demand for long-term products towards non-home mortgages (+24%).

In transactional products, we continued to increase our market shares in PoS, both in volumes and number of customers, while card invoicing grew 7% quarter-on-quarter.

We delivered net customer growth in every quarter of 2022, increasing our customer base by more than half a million since December.

Loans and advances to customers grew 8% year-on-year (+7% in gross terms, excluding reverse repurchase agreements and the exchange rate impact), mainly backed by individuals and private banking.

Customer deposits increased 15% year-on-year. Excluding repos they increased 13%, propelled by commercial banking and demand (+6%) and time deposits (+59%). Market volatility continued to impact mutual fund assets under management.

Results

Underlying attributable profit to September amounted to EUR 1,104 million, 99% higher year-on-year. By line:

- Total income rose 3% year-on-year, backed by net fee income (+6%), with growth in both retail and wholesale banking.
- The cost base continued to fall (-2%) benefitting from commercial banking's operating model transformation, which absorbed wholesale banking investments and high inflation.
- Proactive and early risk management was reflected in the 118 bp decline year-on-year in the NPL ratio to 3.69%, enabling us to continue reducing LLPs (-27%). As a result, the year-to-date cost of risk was stable at 0.62%.

Compared to the **second quarter**, underlying attributable profit increased 57%, supported by higher net interest income (+10%) and SRF contribution in the previous quarter.

Spain. Underlying income statement

EUR million and % change

	Q3'22	/ Q2'22	9M'22	/ 9M'21
Revenue	2,121	+11	6,058	+3
Expenses	-997	+3	-2,941	-2
Net operating income	**1,124**	**+19**	**3,118**	**+8**
LLPs	-421	+1	-1,228	-27
PBT	593	+54	1,497	+94
Underlying attrib. profit	**452**	**+57**	**1,104**	**+99**

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United Kingdom

Underlying attributable profit

EUR 1,138 mn

Commercial activity and business performance

In the first nine months of 2022, we delivered a positive performance amid a challenging backdrop of rising inflation and interest rates.

Our customers further utilized digital channels for banking services, with 68% of refinanced mortgage loans processed online, 92% of new current accounts opened through digital channels and digital transactions up year-on-year.

We increased deposit interest rates across our savings product range, offering some of the best savings' rates and relaunched our switcher campaign during the quarter.

Loans and advances to customers decreased 2% year-on-year. In gross terms and excluding reverse repos and the exchange rate impact, growth was 4%, supported by an increase of GBP 28.2 billion in gross new mortgage lending as the housing market remained robust (GBP 9.8 billion in net mortgage lending).

Customer deposits declined by 7%. Excluding repos and the exchange rate impact, customer deposits contracted 1% primarily due to the CIB business transfer. This performance also reflected reductions in retail liability balances following the peak levels seen in June 2021.

Results

Underlying attributable profit in **the nine months of 2022** was EUR 1,138 million, remaining flat in constant euros, as follows:

- Total income was up 10% driven by strong NII growth (+12%) benefitting from higher interest rates and a resilient mortgage market. This performance was partially offset by negative fee income growth due to the transfer of the CIB business in Q4 2021.
- Operating expenses grew 2% affected by inflationary pressures. In real terms, costs were down reflecting the year-on-year savings from our transformation programme. The efficiency ratio improved 4.2 pp to 49.8%. Net operating income grew by 20%.
- Loan-loss provisions rose to EUR 234 million (EUR 68 million release in 9M'21), reflecting the impact of the macro environment on our retail portfolios. However, cost of risk remained very low (2 bps).

In the quarter, underlying attributable profit grew 12% with widening jaws due to net interest income growth (+5%) and overall expenses reduction.

United Kingdom. Underlying income statement

EUR million and % change

		/ Q2'22			/ 9M'21	
	Q3'22	%	excl. FX	9M'22	%	excl. FX
Revenue	1,397	+4	+5	4,031	+12	+10
Expenses	-660	-3	-2	-2,008	+4	+2
Net operating income	**738**	**+11**	**+12**	**2,023**	**+22**	**+20**
LLPs	-109	+47	+48	-234	—	—
PBT	540	+10	+11	1,535	-3	-5
Underlying attrib. profit	**402**	**+12**	**+12**	**1,138**	**+2**	**0**

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Portugal

Underlying attributable profit
EUR 360 mn

Commercial activity and business performance

Activity and business volumes continued to rise as a result of our strategy based on our service quality and diversified offering. As a result, we further increased the number of loyal and digital customers.

Momentum continued in new lending, especially in new mortgage lending with market shares over 20%. Unsecured personal loans moderated slightly. As a result, loans and advances to customers increased 1%, as well as excluding reverse repos.

Customer deposits increased 3% (both including and excluding repos) boosted by demand deposits (+5%), while time deposits remained stable. On the other hand, mutual funds dropped 11%, as a result of the instability in capital markets during the year.

Results

Underlying attributable profit **to September 2022** was EUR 360 million, 11% higher year-on-year. The fall in net interest income and gains on financial transactions (ALCO portfolio sales in 2021) was more than offset by higher fees and reductions in costs and provisions:

- Customer revenue grew 1% driven by the positive trend in net fee income (+13%), due to new business dynamics, more customer transactions and the strength of our insurance business. On the other hand, net interest income continued to decline year-on-year, due to margin pressure and lower ALCO portfolio and TLTRO contributions, but rebounded slightly in the quarter (+3%).
- Costs continued their downward trend (-12%), benefiting from the business and digital transformation and enabled the efficiency ratio to fall to 40.3%.
- Loan-loss provisions plummeted 90% due to the portfolio's good performance (3.03% NPL ratio improving in 41 bps year-on-year) maintaining the cost of risk for the year virtually at 0%.

Compared to the **previous quarter**, profit increased 75% supported by revenue growth, where interest rate rises were reflected in greater net interest income, and the SRF contribution recorded in the second quarter, while costs and provisions remained stable.

Portugal. Underlying income statement

EUR million and % change

	Q3'22	/ Q2'22	9M'22	/ 9M'21
Revenue	320	+14	933	-9
Expenses	-125	0	-376	-12
Net operating income	**194**	**+25**	**557**	**-6**
LLPs	2	—	-9	-90
PBT	196	+75	524	+11
Underlying attrib. profit	**135**	**+75**	**360**	**+11**

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Poland

Underlying attributable profit
EUR 229 mn

Commercial activity and business performance

In the first nine months of 2022 we remained focused on providing the best customer and employee experience. To this end, we further simplified our products and internal processes through digitalization, while developing platforms to accelerate our progress on our ESG commitments.

In retail banking, we focused on our strategic priorities: improving customer and employee experience, digital acceleration and simplification, and profitable business growth. We improved service quality and remained focused on improving our NPS. As part of our ESG activities, we developed Powerful Women in Business project.

In corporates, we continued our strategic Agile programmes: best-in-class electronic banking (iBiznes24) and credit workflow CLP (Corporate Lending Platform). In the quarter, we introduced a new version of the iBiznes24 platform focused on quick and safe fund management for corporate customers. The updated version includes a new Trade Finance module, the e-FX currency platform and user support system.

Loans and advances to customers rose 1% year-on-year. Gross loans and advances to customers, excluding reverse repos and the exchange rate impact, increased 6% on the back of corporates, institutions and CIB, where we continue to be market leaders.

Customer deposits were 1% higher. Excluding repos and the exchange rate impact, they were up 6% strongly driven by time deposits (+173%), which benefited from interest rate hikes in recent quarters. Customer funds excluding repos rose 1% in constant euros.

Results

In **the first nine months of 2022**, underlying attributable profit reached EUR 229 million, doubling year-on-year and after absorbing the aforementioned mortgage payment holiday charge of EUR 175 million (net of tax). By line and in constant euros:

- Total income was 58% higher year-on-year as net interest income doubled on the back of higher volumes and rates.
- Operating costs were 8% up, well below inflation (12%).
- Loan-loss provisions were affected by CHF mortgage charges (previously reported in other gains (losses) and provisions).

The **quarterly** profit was impacted by the charge mentioned above. Excluding it, profit rose 110%. Revenue increased +21% driven by growth in net interest income and costs were flat.

Poland. Underlying income statement

EUR million and % change

		/ Q2'22			/ 9M'21	
	Q3'22	%	excl. FX	9M'22	%	excl. FX
Revenue	690	+19	+21	1,780	+54	+58
Expenses	-171	-1	+1	-510	+5	+8
Net operating income	**519**	**+28**	**+30**	**1,270**	**+89**	**+94**
LLPs	-88	-36	-35	-290	+80	+85
PBT	68	-67	-65	512	+97	+103
Underlying attrib. profit	**22**	**-77**	**-75**	**229**	**+109**	**+115**

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NORTH AMERICA

Underlying attributable profit

EUR 2,271 mn

Executive summary

→ In North America, we continue leveraging our own **local individual strengths and capabilities** in Mexico and the US while capitalizing on **Group's scale and connectivity**.

→ In volumes, **loans and advances to customers** increased 9% in constant euros driven by growth in most segments in Mexico and in CIB, CRE and Auto in the US. **Customer funds** rose 2% in constant euros, boosted by higher retail and CIB deposits in the US, and deposits from individuals and mutual funds in Mexico.

→ **Underlying attributable profit** increased 2% year-on-year. In constant euros, profit was down 9% as the NII increase in both countries and Mexico's strong profit performance were offset by lower lease income and the LLP normalization process in the US.

Strategy

In line with our strategy to deploy capital towards our businesses where we can grow profitably, during the year:

- After receiving Federal Reserve approval on 31 January 2022, SHUSA completed the acquisition of the remaining shares of common stock of Santander Consumer USA (SC USA).
- Santander US discontinued mortgage and home equity originations to focus efforts on products, services and digital capabilities that have greater potential for growth.
- In addition, on 21 October 2022, the Group announced that it intends to repurchase the outstanding shares of Santander México that it does not already own (3.76%). This transaction is expected to be completed in the first quarter of 2023 once the relevant regulatory approvals are obtained.

In terms of our regional strategy, synergies across countries leverage our joint initiatives, including:

- Boost customer attraction and retention through loyalty strategies, while broadening our tailored products and services proposition for a more straightforward customer experience. We are taking advantage of successful proven businesses and improved interactions to drive customer loyalty, NPS and CX.
- Create synergies and reduce duplications in our business model, by leveraging our regional capabilities and sharing best practices to optimize expenses and improve profitability.
- Strengthen One Santander in North America, by unifying a common and regional approach by promoting a strong level of collaboration between both countries and the Group, to forge future growth within the region.

In line with our global responsible banking agenda and public commitments, we are focusing on expanding and implementing sustainable finance opportunities within our businesses, as can be noted in the following transactions:

- In September, Santander US issued its first sustainable bond for USD 500 million. We expect to earmark an amount equal to the net proceeds from its offering for assets that meet the eligibility criteria as described in the Group's Green, Social & Sustainability Funding Global Framework.
- In line with our Mexican bank's commitment to accompany our customers in their transition to a low-carbon economy, we formalized green financing for the acquisition of 50 zero-emission buses for the *Metrobus* public transport service in Mexico City.

In addition, in terms of their **local priorities**:

United States

Solid results and profitability in Santander US in the first nine months of 2022 supported by the progress of our strategic initiatives:

- We have continued to focus on capital allocation towards our more profitable segments, allowing Santander US to reduce organic risk-weighted assets by 2% year-on-year (excluding the APS acquisition).

Loyal customers	North America	United States	Mexico
Thousands	4,558	345	4,214
YoY change	+9%	-5%	+10%

Digital customers	North America	United States	Mexico
Thousands	7,014	1,034	5,813
YoY change	+8%	0%	+10%

- Santander US's continued disciplined capital management was reflected in a dividend distribution of USD 1.75 billion in the quarter, bringing the total distributed up to September to USD 3.25 billion.

Mexico

We continue to focus on multi-channel innovation, promoting digital channels and strengthening our value proposition:

- We continued to strengthen synergies between business lines, particularly projects to increase profitability through attracting new payrolls and portability, commercial alliances and customer referrals.
- We maintained the momentum of the LikeU credit card, our flagship product, exceeding 700,000 cards issued since its launch in August 2021.
- Launch of Cash Back Baby, the first recurring loyalty programme that gives cash back to customers for using their LikeU credit card or payroll card in many retail outlets and in which customers are automatically enrolled.
- In payroll loans, we launched an offer to replace customers' debts at other banking institutions with better financial conditions. To improve the loyalty and penetration in this segment, we also launched *Anticipo de Nómina*, a short-term, interest-free salary advance, with only one price.
- In mortgages, we improved the formalization process and the conditions of our construction and land acquisition offering. We launched a new insurance offering related to mortgage loans at a lower cost.
- In auto, and in alliance with Mazda, we launched Mazda First, a new financial programme to help young people purchase their first car with more flexibility while allowing them to build a credit history.
- In SMEs, we remain focused on our customer attraction strategy through commercial agreements in strategic sectors and continuing to attract digital customers. In our acquiring business, we further promoted our main products (G-Mini, G-Advance, G-Smart and G-Store).
- In deposits, we extended our *Tu Sueldo Extra Santander* campaign to further attract new customers and increase current customers' balances while encouraging greater use of digital channels as well as improving average customer balances.

Business performance

Loans and advances grew 43% year-on-year. In gross terms, excluding reverse repos and the exchange rate impact, they were up 9% boosted by growth in individuals and commercial loans in Mexico (except SMEs) and a positive performance in Auto, CIB and CRE in the US.

Customer deposits rose 37% year-on-year. Excluding repos and the exchange rate impact, customer deposits increased 3% mainly driven by positive dynamics deposits from individuals in Mexico and by higher retail and CIB deposits in the US in a highly competitive market.

Results

During the **first nine months of 2022**, underlying attributable profit amounted to EUR 2,271 million, up 2% in euros year-on-year. In constant euros, profit dropped 9% mainly due to lower lease income and higher LLPs. By line:

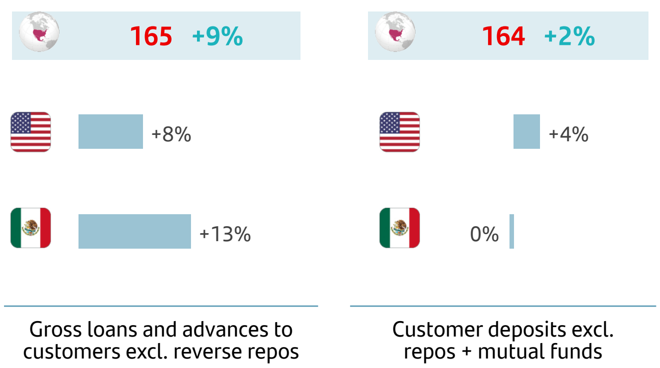
- In revenue, net interest income increased 6% following to interest rate hikes and higher loan volumes in both countries which compensated lower-than-expected auto yields in US.

  Net fee income rose 4%, where Mexico's strong performance in credit card, insurance and account management offset lower capital market activity in the US. However, total income was 2% lower mainly due to other operating income (-58%) owing to an increase in the share of lease-end vehicles repurchased at dealerships in the US.
- Costs rose 5% primarily due to higher-than-expected inflation. However, strict cost control remains in both countries to absorb this impact. In real terms, costs decreased 3%.
- Loan-loss provisions increased 36%, due to the releases in the US in the previous year, from the LLP normalization process and due to the updated macro outlooks. The cost of risk stood at 1.12%.

In the quarter, net interest income showed signs of recovery and costs remained under control. Underlying attributable profit fell 16% in constant euros due to higher LLPs in the US.

Business performance. September 2022

EUR billion and YoY % change in constant euros



North America. Underlying income statement

EUR million and % change

		/ Q2'22			/ 9M'21	
	Q3'22	%	excl. FX	9M'22	%	excl. FX
Revenue	3,240	+9	+3	9,021	+10	-2
Expenses	-1,546	+8	+3	-4,239	+17	+5
Net operating income	**1,694**	**+9**	**+3**	**4,782**	**+5**	**-7**
LLPs	-703	+34	+29	-1,666	+52	+36
PBT	945	-7	-12	3,005	-12	-22
Underlying attrib. profit	**693**	**-10**	**-16**	**2,271**	**+2**	**-9**

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United States

Underlying attributable profit
EUR 1,489 mn

Commercial activity and business performance

The increased integration of Santander US's core business lines and the strength of our balance sheet allow us to perform in line with our financial goals despite more challenging market conditions.

The stock of loans and advances to customers grew 46% year-on-year. In gross terms, excluding reverse repos and the exchange rate impact, loans grew 8% led by growth in CIB, CRE and Auto. Auto originations increased 5% YoY, driven by higher prime loan originations (increased manufacturer incentives). Additionally, we saw higher average balances across our prime and non-prime book and greater lease originations.

Customer deposits grew 44% year-on-year. After strong growth throughout 2021, customer deposits increased 6% excluding repos and the exchange rate impact, while maintaining deposit costs relatively stable despite the significantly higher rate environment.

Results

Underlying attributable profit **in the first nine months of 2022** was EUR 1,489 million, 14% lower in euros year-on-year. When measured in constant euros, profit was down 24%. By line:

- Total income decreased 9% affected by lower leasing revenue, home lending exit and capital market activity. Net interest income increased 2% due to the positive impact from interest rates and disciplined deposit cost management partially offset by the lower-than-expected Auto spreads, due to competitive pricing pressures, and lower originations in personal lending.
- Operating expenses were slightly lower despite the inflationary pressure on personnel costs, and investment initiatives in our retail network and digitalization. In real terms, costs decreased 8%.
- On the back of exceptionally low figures in the first nine months of 2021, loan-loss provisions doubled as cost of risk continued to normalize. Despite the increase, the cost of risk remained low in 2022. Used car prices are still elevated, but have been trending downward as inventory has slowly started to increase.

In the quarter, net interest income accelerated its improving trend, +5% and total income increased 2%. Nevertheless profit fell by 27% mainly due to higher LLPs related to the normalization process, loan growth and the impact of updates to macroeconomic scenarios.

United States. Underlying income statement

EUR million and % change

	Q3'22	/ Q2'22 %	/ Q2'22 excl. FX	9M'22	/ 9M'21 %	/ 9M'21 excl. FX
Revenue	2,001	+8	+2	5,667	+3	-9
Expenses	-953	+8	+2	-2,635	+12	0
Net operating income	**1,048**	**+8**	**+2**	**3,032**	**-4**	**-15**
LLPs	-513	+52	+46	-1,107	+146	+118
PBT	530	-17	-23	1,908	-29	-37
Underlying attrib. profit	**399**	**-21**	**-27**	**1,489**	**-14**	**-24**

Detailed financial information on page 62

Mexico

Underlying attributable profit
EUR 874 mn

Commercial activity and business performance

In Mexico, we continued to gain market share in individual loans driven by our mortgage, auto and credit card strategies.

We are one of the largest mortgage originators in the country, with an innovative product range and an offering for each customer profile, such as Hipoteca Plus, Hipoteca Free and Hipoteca Integral. In auto, we further consolidated our position, remaining the third largest player in the market with a 15% market share. In addition, credit cards have shown a significant recovery in recent months; with four consecutive months of market share gains in this segment, as a result of the recent LikeU card launch.

The stock of loans and advances to customers grew 35% year-on-year. In gross terms, excluding reverse repos and the exchange rate impact, it was up 13%, supported by loans to individuals (consumer: +23%, cards: +21% and mortgages: +12%) and corporate loans (+24% in CIB and +8% in companies and institutions, which offset the 8% decline in SMEs).

Customer deposits grew 20% year-on-year. Excluding reverse repos and the exchange rate impact, customer deposits shrank 4% affected by the corporate segment, offsetting the growth in individual deposits (+7%), due to the bank's strategy to manage funding costs and improve the mix by increasing the weight of individuals. Investment funds increased 8%.

Results

Underlying attributable profit to **September** was EUR 874 million, 49% higher in euros year-on-year. In constant euros, growth was 33%. By line:

- Total income rose 12%. Net interest income increased 12% supported by higher volumes and the rise in interest rates. Positive net fee income performance (+20%) from payment methods, insurance and mutual funds. Gains on financial transactions dropped due to gains on ALCO portfolio sales recorded in 2021 and a weak market performance so far this year.
- Operating expenses increased 11%, affected by wage increases, digitalization and technology spend and due to the increase in supply costs affected by inflation at 8%.
- Loan-loss provisions dropped 23% due to the positive portfolio performance, and to the release of provisions for some (single name) corporate customers.

Compared to the previous quarter, underlying attributable profit increased 5% in constant euros driven by the strong upturn in net interest income (+6%) and lower provisions (-3%).

Mexico. Underlying income statement

EUR million and % change

	Q3'22	/ Q2'22 %	/ Q2'22 excl. FX	9M'22	/ 9M'21 %	/ 9M'21 excl. FX
Revenue	1,216	+9	+4	3,312	+25	+12
Expenses	-537	+8	+3	-1,467	+25	+11
Net operating income	**679**	**+10**	**+5**	**1,845**	**+26**	**+12**
LLPs	-188	+2	-3	-555	-14	-23
PBT	452	+11	+6	1,198	+48	+32
Underlying attrib. profit	**328**	**+10**	**+5**	**874**	**+49**	**+33**

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SOUTH AMERICA

Underlying attributable profit

EUR 2,884 mn

Executive summary

→ We continued with our strategy to strengthen connectivity and share best practices across countries, capturing new business opportunities.

→ We maintained high profitability, through sustainable growth of our customer base and its loyalty, improving customer experience while strengthening our risk and cost models.

→ Quarter-on-quarter and year-on-year growth in both gross loans and advances to customers and customer deposits, while we continue to expand ESG initiatives in the region.

→ Underlying attributable profit increased 17% year-on-year (+6% in constant euros) backed by the increase in revenue and a lower tax burden.

Strategy

We maintained our strategy of capturing synergies across business units:

- In **consumer finance**, we remained focused on exchanging positive experiences across countries such as the management platform for new and used vehicle financing and the consolidation of Cockpit in Chile and Argentina. In Uruguay, auto financing increased 50% year-on-year, maintaining our market leadership. In Peru, the NeoAuto platform, a digital marketplace for new and used vehicle financing, continued to grow with 1.7 million hits. In Colombia, the new and used vehicle portfolio increased 68% year-on-year.
- In **payment methods**, we continued to make progress: our e-commerce strategies, instant domestic and international transfers and in expanding Getnet. For example, PoS installed in Chile exceed 131,000 and we launched a current account for microenterprises integrated with Genet. In Argentina, we strengthened Getnet's value proposition, remaining the second largest company in payments processing, with more than 90,000 customers. In Uruguay, we launched Getnet for SMEs, previously only available for individuals.
- We continued to make headway in the development of **joint initiatives between SCIB and corporates** to deepen relationships with multinational clients, boosting loyalty and customer acquisition in all countries, especially in Chile and Argentina.
- We continued to **promote inclusive and sustainable businesses**, such as Prospera, whose portfolio in Brazil reached BRL 2,353 million and 842,000 active customers; in Colombia, it is present in 386 municipalities and has more than 10,000 entrepreneurs in Uruguay. In Peru, we drove micro-credits through Surgir, with 70,000 customers, of which 95% are women. In Argentina, we consolidated our alliance with Gentos to boost the livestock business through a sustainable approach, and with Acindar Pymes, which provides better access to financing for projects related to renewable energy.

The main initiatives by country were:

- **Brazil:** our strategy is based on four pillars:
  - Customer focus, aiming to improve customer experience with initiatives such as redefining the Select segment.
  - More integrated and wider reaching sales channels. In the physical channel, we continued to capture business opportunities in our offices, which received more than 15 million visits per month; in digital, we reached 535 million accesses per month and in the remote channel, 10.5 million monthly attendances.
  - Innovation and capital, focused on exploring new markets and services innovation.
  - A horizontal and unique culture, which promotes empowerment, meritocracy and diversity.

Loyal customers	South America	Brazil	Chile	Argentina	Other South America
Thousands	11,268	8,592	847	1,659	171
YoY change	+12%	+14%	+5%	+3%	+12%

Digital customers	South America	Brazil	Chile	Argentina	Other South America
Thousands	25,357	19,910	1,994	2,837	616
YoY change	+8%	+9%	+3%	+5%	-6%

- **Chile:** we remained focused on digital banking and enhancing customer service. As a result, we increased our current account market share to 29.5%, driven by Santander Life and Superdigital. In payment methods, we continued to develop e-commerce and our domestic and international transfer business. In ESG, in 2022, we aim to build six solar plants and to make the bank's energy sources 100% renewable.

- **Argentina:** we continued to improve our customer service, loyalty and digitalization, maintaining our second place in NPS. Our app remained the best rated among banks on iOS and Android, and we made progress in building our open financial services platform by strengthening Getnet's and Superdigital's value offering. We continued developing MODO, a systemic solution that promotes digital payments and financial inclusion. In addition, we boosted consumer credit through Todocuentas.com and reached a 16% market share in auto lending.

- **Uruguay:** we remained the country's leading privately-owned bank. We also continued our digital expansion, with the consolidation of Soy Santander, a fully-digital loyalty proposition for individuals and added new functionalities such as QR code payments, enabling us to improve customer acquisition and loyalty. We continued to promote inclusive and sustainable businesses, for example by granting carbon neutral credit for vehicle purchases.

- **Peru:** we developed new business through joint initiatives between SCIB and corporates. We are in the top 3 of investment banks and leaders in Mergers and Acquisitions, supporting M&A deals and selling derivative instruments. We furthered digitalized our processes and increased the use of data intelligence for internal control, improving our customer experience and operational efficiency.

- **Colombia:** we continued to offer sustainable and inclusive financial solutions, maintaining our participation in the most relevant operations for the country's development, with joint offers for SCIB and Corporate. We also continued to grant loans to entrepreneurs. We supported more than 25,000 micro-entrepreneurs, especially women, agricultural activities and charities.

Business performance

Loans and advances to customers rose 24% year-on-year. Gross loans and advances to customers (excluding reverse repos and exchange rates) increased 13% year-on-year, with double-digit rises in all country units.

Customer deposits were 19% higher year-on-year. Excluding the exchange rate impact and reverse repos, customer deposits rose 6%, with increases in all countries except Chile. Mutual funds were 4% higher excluding the exchange rate impact.

Results

Underlying attributable profit in **the first nine months of 2022** amounted to EUR 2,884 million, up 17% year-on-year. Excluding the exchange rate impact, it was 6% higher, as follows:

- In total income, of note was the performance in net interest income and net fee income (+8% and +11%, respectively) and the 59% rise in gains on financial transactions (Brazil, Chile and Argentina).

- Costs were 17% higher, heavily affected by inflation. In real terms, they decreased 1%, reflecting management efforts.

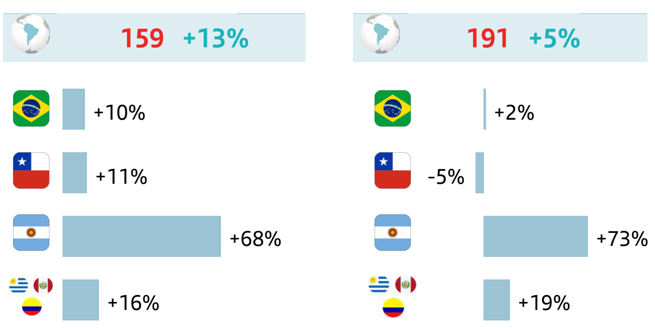
- Loan-loss provisions increased 35% mainly due to the rises recorded in the main countries. The cost of risk stood at 3.11%.

By **country**, of note was the strong profit growth recorded in all markets except Brazil, which decreased 1%, as growth in net fee income and gains on financial transactions and a lower tax burden did not entirely offset the impact on the net interest income of the sensitivity to interest rate hikes and the increase in costs and provisions.

Compared to **the second quarter of 2022**, of note was the increase in customer revenue (+5%) and in gains on financial transactions, as well as the LLP reduction in Brazil and Chile. Underlying profit decreased 8% in constant euros due to the rise in costs (wage increases due to labour agreement in Brazil and Argentina) and a higher tax burden.

South America. Business performance. September 2022

EUR billion and YoY % change in constant euros



Gross loans and advances to customers excl. reverse repos

Customer deposits excl. repos + mutual funds

South America. Underlying income statement

EUR million and % change

		/ Q2'22			/ 9M'21	
	Q3'22	%	excl. FX	9M'22	%	excl. FX
Revenue	4,680	-1	+2	13,613	+21	+9
Expenses	-1,782	+7	+11	-4,935	+26	+17
Net operating income	**2,898**	**-6**	**-3**	**8,677**	**+18**	**+5**
LLPs	-1,300	-3	-2	-3,633	+52	+35
PBT	1,491	-7	-5	4,656	0	-11
Underlying attrib. profit	**938**	**-10**	**-8**	**2,884**	**+17**	**+6**

Detailed financial information on page 65

Brazil

Underlying attributable profit
EUR 2,027 mn

Commercial activity and business performance

We continued our expansion through strategic businesses:

- In corporates, we recorded the best year in our history. In SMEs we reached a record in customer acquisition, with more than 31,000 accounts opened per month on the digital channel.
- In insurance, we developed an ecosystem where we have already produced BRL 2.3 billion in the year (+33% in two years). Additionally, in Santander Auto, we reached a 28% penetration rate in new financing contracts, an all-time high.
- We continued to transform our investment platform, with a new investment advisory model, with 350 advisors and we expect to reach 1,300 by June 2023. In Toro, our digital investment platform, we continued to grow in customers, exceeding one million.
- In auto, we remained market leaders, with a 23% market share in individuals. We also boosted our vehicle production, with 20% production share in September.

Loans and advances to customers rose 30% year-on-year. Gross loans and advances to customers, excluding reverse repos and the exchange rate impact, grew 10% due to individuals and corporates.

Customer deposits surged 27%. Excluding the exchange rate impact and repos, they rose 6% year-on-year driven by time deposits (+9%), more than offsetting the fall in demand deposits (-4%).

Results

In the first nine months of 2022, underlying attributable profit amounted to EUR 2,027 million, +15% year-on-year. Excluding the exchange rate impact, profit decreased 1%, as follows:

- Total income rose 2% due to gains on financial transactions as a slight increase in net fee income. Net interest income fell 1% as higher volumes were not enough to offset the initial negative sensitivity to interest rate hikes.
- Costs rose 9%, strongly impacted by inflation. However, in real terms, costs decreased 2% and the efficiency ratio is at a level close to the historical lows reached last year.
- Net loan-loss provisions increased 37% due to the retail portfolio. The cost of risk was 4.46% (+86 bps year-on-year) and the NPL ratio was 6.63%.

In **the quarter**, net interest income stabilized following declines in previous quarters and provisions fell slightly. These positive impacts were offset by cost increases (costs related to business and investments in technology) and falls in net fee income and gains on financial transactions, from high levels in the second quarter.

Brazil. Underlying income statement

EUR million and % change

	Q3'22	/ Q2'22 %	/ Q2'22 excl. FX	9M'22	/ 9M'21 %	/ 9M'21 excl. FX
Revenue	3,278	-3	-2	9,671	+20	+2
Expenses	-1,058	+4	+4	-3,009	+27	+9
Net operating income	**2,220**	**-6**	**-5**	**6,661**	**+17**	**0**
LLPs	-1,150	-1	-1	-3,165	+60	+37
PBT	1,047	-9	-8	3,316	-6	-20
Underlying attrib. profit	**662**	**-10**	**-10**	**2,027**	**+15**	**-1**

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Chile

Underlying attributable profit
EUR 551 mn

Commercial activity and business performance

We remained focused on improving customer satisfaction through the transformation of our commercial network and our digital banking proposition, expanding Santander Life (which exceeded one million customers) and Superdigital (with 355,000 customers). Getnet is firmly established in the country.

As a result of our actions, we exceeded 4 million customers and remained top in service quality in terms of NPS. We were named the Best Bank in Chile in 2021 by *The Banker* magazine and we were recognized as Top Employer 2022 for the fourth year in a row. We also won the 2022 Sustainable Finance Award from *Global Finance* and the Best Bank in Chile from *Euromoney* magazine.

In volumes, loans and advances to customers increased 11% year-on-year. Gross loans and advances to customers excluding reverse repurchase agreements and at constant exchange rates, were also 11% higher, mainly driven by individuals (+13% boosted by the impact that charges in the UF had on mortgages), corporates and institutions (+14%) and CIB (+30%).

Customer deposits were down 6%. Excluding the exchange rate impact and repurchase agreements, customer deposits decreased 7% as customers are normalizing their liquidity levels, following strong growth in 2021, due to the withdrawal of pension funds and state aids during the pandemic.

Results

Underlying attributable profit **in the first nine months of 2022** amounted to EUR 551 million, 19% higher year-on-year. In constant euros, profit grew 23%, as follows:

- Total income rose 9% driven by the double-digit rise in net fee income (greater customer base and transactionality) and gains on financial transactions (+68% driven by customer business). Net interest income increased 1%, as the positive impacts from the UF portfolio and greater volumes were partially offset by the initial negative sensitivity to interest rates hikes.
- Costs rose 7%, below inflation (10%), which enabled net operating income to increase 10% and the efficiency ratio to improve to 38.1% (-59 bps year-on-year).
- Loan-loss provisions rose 13%, while the cost of risk remained virtually stable. Delinquency indicators remained better than pre-pandemic levels, although they are expected to normalize.

In **the quarter,** profit decreased 18% in constant euros, due to the reduction in net interest income as a result of lower quarterly inflation growth and higher funding costs, which offset the good performance of the rest of the income statement.

Chile. Underlying income statement

EUR million and % change

	Q3'22	/ Q2'22 %	/ Q2'22 excl. FX	9M'22	/ 9M'21 %	/ 9M'21 excl. FX
Revenue	577	-18	-15	1,934	+5	+9
Expenses	-248	-3	+1	-737	+4	+7
Net operating income	**329**	**-27**	**-24**	**1,197**	**+7**	**+10**
LLPs	-85	-23	-20	-290	+9	+13
PBT	244	-25	-21	889	+4	+7
Underlying attrib. profit	**160**	**-22**	**-18**	**551**	**+19**	**+23**

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Argentina

Underlying attributable profit
EUR 234 mn

Commercial activity and business performance

Santander Argentina remained centred on improving customer service through innovation and process digitalization. The number of loyal customers increased and digital sales represented 83% of total sales. We continued to build our open financial services platform, strengthening the value proposition of Getnet, Santander Consumer, Superdigital and MODO.

In the quarter, we signed new alliances and launched new products, such offering agro products through the agribusiness card and through the financing of long-term investments. We also signed an alliance with LATAM Pass, enabling Super Club+ customers to redeem their points for miles.

Loans and advances to customers were up 36% year-on-year. In gross terms, excluding reverse repos and the exchange rate impact, loans and advances to customers rose 68% year-on-year, driven by auto loans, SMEs and corporates.

Customer deposits increased 26% with respect to September 2021. Excluding repos and the exchange rate impact, customer deposits rose 60% with growth in demand (+50%) and time (+80%) deposits, and mutual funds were 121% higher. As a result, total customer funds increased 73% in constant euros.

These high growth rates, as well as results, are impacted by high inflation in the country.

Results

Underlying attributable profit **in the first nine months of 2022** was EUR 234 million, 31% higher year-on-year. At constant exchange rates, profit was 66% higher. By line:

- Total income grew 93%, underpinned by net interest income (+142% driven by business and higher volumes and rates on central bank notes), net fee income (+107%, mainly driven by transactional fees and mutual funds and insurance) and gains on financial transactions (+126%). These increases were partially offset by a hyperinflation charge of EUR 546 million.
- Costs rose 85%, impacted by inflation and the effect of the Argentine peso depreciation on overhead costs. The efficiency ratio improved to 57.3% (-258 bps compared to September 2021) and net operating income rose 105%.
- Loan-loss provisions increased due to extraordinarily low levels in 2021 (following pandemic-related provisioning in 2020). The cost of risk stood at 2.88%, 63 bps lower than in September 2021.

In the third quarter, profit increased 26% in constant euros, due to higher revenue, which offset the cost increase in the quarter, partly due to the salary agreement.

Argentina. Underlying income statement

EUR million and % change

		/ Q2'22			/ 9M'21	
	Q3'22	%	excl. FX	9M'22	%	excl. FX
Revenue	592	+29	+55	1,413	+53	+93
Expenses	-333	+28	+53	-809	+46	+85
Net operating income	**259**	**+31**	**+57**	**604**	**+63**	**+105**
LLPs	-34	+4	+29	-106	+20	+51
PBT	144	+48	+75	312	+65	+108
Underlying attrib. profit	**88**	**+3**	**+26**	**234**	**+31**	**+66**

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Other South America

Uruguay

Gross loans and advances to customers, excluding reverse repurchase agreements and the exchange rate impact were up 15% year-on-year. Customer deposits excluding repos and exchange rates rose 2%, spurred by time deposits (+62%).

Underlying attributable profit **in the first nine months** of EUR 96 million, up 21% year-on-year and +2% in constant euros, as follows:

- Total income up 10% boosted by net interest income, following interest rate hikes and higher inflation, and gains on financial transactions.
- Costs were slightly up (+1%), despite high inflation (+9%). As a result, the efficiency ratio stood at 43.5% (-3.9 pp year-on-year).
- Loan-loss provisions rose, normalizing following the low levels recorded in 2021. The cost of risk remained low (1.48%) and the NPL ratio stood at 2.43%.

Compared to the **previous quarter,** underlying attributable profit rose 13% in constant euros due to the increase in net interest income and gains on financial transactions and lower provisions.

Peru

Gross loans and advances to customers excluding reverse repos and the exchange rate impact rose 18% year-on-year and customer deposits (excluding repos and at constant exchange rates) increased 1%, impacted by time deposits (-9%), as demand deposits were 23% higher.

In **the first nine months of 2022,** underlying attributable profit amounted to EUR 52 million, 23% higher year-on-year. Excluding the exchange rate impact, growth was 8%, as follows:

- Total income rose 19%, mainly led by net interest income (+32%). Costs rose 48%, mainly driven by inflation and the launch of new businesses.
- Loan-loss provisions dropped 5% and the cost of risk remained very low (0.49%).

Colombia

Gross loans and advances to customers (excluding reverse repos and the exchange rate impact) were 19% higher year-on-year. Customer deposits (excluding repos and exchange rates) rose 39% due to demand deposits (+43%).

In the first nine months of 2022, underlying attributable profit of EUR 22 million, 31% higher year-on-year. At constant exchange rates, profit was 28% higher, due to:

- Total income growth of 39% (driven by net interest income and gains on financial transactions) and a 63% rise in costs due to the development of new business lines.
- Loan-loss provisions fell 18% and the cost of risk improved 47 bps year-on-year to 0.24%.

Other South America. Underlying income statement

EUR million and % change

	Net operating income			Underlying attrib. profit		
		/ 9M'21			/ 9M'21	
	9M'22	%	excl. FX	9M'22	%	excl. FX
Uruguay	184	+39	+18	96	+21	+2
Peru	92	+21	+7	52	+23	+8
Colombia	40	+21	+18	22	+31	+28

DCB DIGITAL CONSUMER BANK

Underlying attributable profit

EUR 908 mn

Executive summary

→ **Continuing to reinforce auto leadership via new strategic alliances, leasing and subscription.** We signed the binding agreement with Stellantis, continued BNPL deployment and had >20% growth in new leasing contracts.

→ **New lending +10% year-on-year in constant euros.** In auto, global production issues dampened the new auto market. In this context, we gained market share in new and used car financing in most markets. Strong increase in consumer new lending.

→ Underlying attributable profit amounted to **EUR 908 million, improving 12% year-on-year (+11% in constant euros)** driven by total income growth (fees and leasing), good cost of risk performance and other results. RoRWA remained high, c.2%.

Strategy

Digital Consumer Bank (DCB) is the leading consumer finance bank in Europe, created through the combination of Santander Consumer Finance's (SCF) scale and leadership in consumer finance in Europe, and Openbank's retail banking and digital capabilities.

SCF is Europe's consumer finance leader, present in 18 countries (16 in Europe including the recent launch in Greece, China and Canada) and works through more than 130,000 associated points of sale (mainly auto dealers and retail merchants). In addition, it is developing pan-European initiatives to boost Direct business across its footprint.

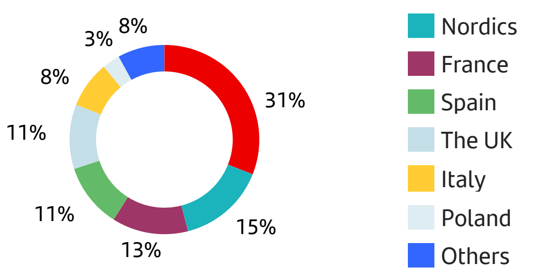
Openbank is the largest 100% digital bank in Europe. It offers current accounts, cards, loans, mortgages, a state-of-the-art robo-advisor service and open platform brokerage services. Openbank is currently active in Spain, the Netherlands, Germany and Portugal, and we are working on its expansion across Europe and the Americas.

DCB's aim is to generate synergies for both businesses:

- **SCF** is dedicated to helping its customers and partners (OEMs, car dealers and retailers) to enhance their sales capacity by financing their products and developing advanced technologies to give them a competitive edge. SCF is the top mobility financer and provider in Europe.

Digital Consumer Bank. Loan distribution

September 2022



- **Openbank** continues to work on improving customer loyalty and engagement targets by applying its technological developments and business philosophy, while maintaining its ability to swiftly launch new initiatives.

Our main priorities for 2022 are to:

- **Secure leadership in global digital consumer lending** focusing on growth and transformation within three dimensions:
  - **Auto**: strengthen our auto financing leadership position, gain market share, reinforce the leasing business and develop subscription services. SCF is focusing on providing its partners advanced digital financing capabilities to support their sales growth strategy and the best customer experience. We had a EUR 95 billion loan book at the end of September.
  - **Consumer Non-Auto**: gain market share in consumer lending and develop buy now, pay later (BNPL) 2.0 to strengthen our top 3 position in Europe. We had a loan book of EUR 20 billion as of 30 September. In Retail, the aim is to continue improving digital capabilities to increase loyalty among our 3.8 million customers (Openbank and SC Germany Retail), boosting digital banking activity.
  - **Simplification and efficiency** from self-contained banks to European hubs (Western Hub, Nordics, Germany) through: legal structure simplification, implementing shared services and IT commonality, and capital and liquidity optimization.
- **Increase profit leveraging strategic operations initiated in 2021**, e.g. Stellantis (Auto), leasing and subscription launch and BNPL development (Non-Auto).
- **Launch of tech transformation projects** to seize on the fast-growing transition to online, support digital customer base expansion and provide our partners with digital tools to achieve a single European digital connection (via auto marketplaces). **All this while maintaining high profitability and one of the best efficiency ratios in the sector**.

To contribute to the transition to a greener economy, we continue to do business in a sustainable way, supporting our customers' green transitions by providing more than EUR 3 billion of green finance in the year to date. Our green finance offering includes financing of electric vehicles (>100k EVs financed year to date, gaining market share), electric chargers, solar panels, green heating systems, e-bikes, etc.

We are also contributing to build a more inclusive society and were recognized as a Top Employer or Great Place to Work (GPTW) in 8 countries in our footprint.

Business performance

New lending increased 10% year-on-year in 9M'22, despite impacts from the covid-19 Omicron wave, the microchip crisis and global supply chain disruptions from the Russia-Ukraine conflict.

In this difficult environment, our leadership position and strategic alliances enabled us to increase our market share in new and used car financing in most countries. Our new car volumes were up 1% year-on-year while new car registrations in Europe fell 10% versus 9M 2021. New loans for used vehicles rose 18% in the same period compared to a 12% fall in the European market.

In Auto, our leasing solutions and commercial focus generated a >20% year-on-year increase in the number of leasing customers. We continued to develop a proprietary digital leasing platform for Europe with the ambition of disrupting the market.

SCF's new subscription service Wabi is live in Spain, Norway and Germany and will expand to other countries in the coming years. In June, SCF launched Ulity, its new platform for vehicle subscription-based solutions for companies.

In Q1, we expanded our partnership with Stellantis in a transaction expected to complete in H1 2023 (following the required authorizations). In 2022, we also entered into a long-term global partnership with Piaggio Group, Europe's leader in scooters.

In Non-Auto, Zinia, our buy now, pay later initiative continues to achieve outstanding results with more than 4 million contracts since its launch and more than 33,000 retail merchants connected.

The TIMFin joint venture is a strategic alliance with the leading Italian Telco, a new vertical for DCB. The company has >1.2 million contracts since launch as well as >5,800 active points of sale.

The stock of loans and advances to customers increased 6% year-on-year. In gross terms, excluding reverse repos and the exchange rate impact they also rose 6% year-on-year to EUR 120.6 billion.

These solid results have been achieved in an unstable environment where the global political situation and soaring energy prices are generating uncertainty affecting our customers' consumption decisions, while inflation and rising interest rates are reducing their disposable income. We will continue to closely monitor our portfolios to prevent the impact that a deterioration in unemployment or a hard consumption stop may have on our activity.

Results

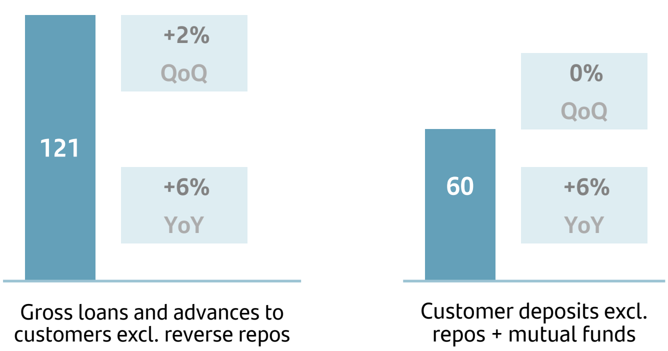
Underlying attributable profit in **the first nine months** was EUR 908 million, 12% higher year-on-year in euros. In constant euros, growth was 11% (RoRWA of c.2%). By line:

- Total income rose 2% mainly driven by 2% growth in net fee income (increased volumes) and greater leasing activity. Net interest income was flat, dampened by the short-term impact of rising interest rates on liabilities as they reprice faster than assets.
- Costs grew 2% affected by inflation, strategic investments, transformational costs and business growth, however in real terms, costs fell 5%. The efficiency ratio stood at 47.7% (in line with 9M 2021).
- Loan-loss provisions fell 5% reflecting the good credit quality performance. The cost of risk improved to 0.43%.
- By country, the largest contribution to underlying attributable profit came from Germany (EUR 295 million), the Nordic countries (EUR 182 million), the UK (EUR 181 million) and France (EUR 123 million).

Compared to the previous quarter, underlying attributable profit increased 16%, mainly due to leasing, lower minority interests and the SRF charge in Q2.

Activity

EUR billion and % change in constant euros



Digital Consumer Bank. Underlying income statement

EUR million and % change

		/ Q2'22			/ 9M'21	
	Q3'22	%	excl. FX	9M'22	%	excl. FX
Revenue	1,315	+4	+4	3,887	+2	+2
Expenses	-605	0	+1	-1,853	+3	+2
Net operating income	**709**	**+8**	**+8**	**2,034**	**+2**	**+2**
LLPs	-142	+2	+2	-429	-4	-5
PBT	572	+13	+13	1,581	+11	+10
Underlying attrib. profit	**336**	**+16**	**+16**	**908**	**+12**	**+11**

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Corporate Centre

Underlying attributable profit

-EUR 1,583 mn

Executive summary

→ The Corporate Centre continued with its role supporting the Group.

→ The Corporate Centre's objective is to define and coordinate the Group's strategy and aid the operating units by contributing value and carrying out the corporate oversight and control function. It also carries out functions related to financial and capital management.

→ Underlying profit was impacted by lower gains on financial transactions due to the exchange rate differences from the hedging of results, partly offset by the improvement in provisions.

Strategy and functions

The Corporate Centre contributes value to the Group in various ways:

- Making the Group's governance more solid, through global control frameworks and supervision.
- Fostering the exchange of best practices in cost management, which enables us to be one of the most efficient banks in the sector.
- Contributing to the launch of projects that will be developed by our global businesses aimed at leveraging our worldwide presence to generate economies of scale.

It also coordinates the relationship with European regulators and supervisors and develops functions related to financial and capital management, as follows:

- **Financial Management functions**:
  - Structural management of liquidity risk associated with funding the Group's recurring activity and stakes of a financial nature.
  - This activity is carried out by the diversification of funding sources (issuances and other), always maintaining an adequate profile in volumes, maturities and costs. The price of these operations with other Group units is the market rate that includes all liquidity concepts (which the Group supports by immobilizing funds during the term of the operation) and regulatory requirements (TLAC/MREL).
  - Interest rate risk is also actively managed in order to dampen the impact of interest rate changes on net interest income, conducted via high credit quality, very liquid and low capital consumption derivatives.
  - Strategic management of the exposure to exchange rates in equity and dynamic in the countervalue of the units' annual results in euros. Net investments in equity are currently hedged, EUR 20,630 million mainly Brazil, the UK, Mexico, Chile, the US, Poland and Norway with different instruments (spot, fx, forwards).
- **Management of total capital and reserves:** efficient capital allocation to each of the units in order to maximize shareholder return.

Results

In **the first nine months of 2022,** underlying attributable loss of EUR 1,583 million, compared to -EUR 1,232 million in September 2021, as follows:

- Lower gains on financial transactions (EUR 479 million less than in the same period of 2021), dampened by negative foreign currency hedging results, which partially offset the favourable FX impacts in the countries' results.
- Net interest income decreased, impacted by the rising interest rates and the higher liquidity buffer.
- Lastly, other results and provisions were considerably down on the same period in 2021.

Corporate Centre. Underlying income statement

EUR million

	Q3'22	Q2'22	Chg.	9M'22	9M'21	Chg.
Total income	-418	-446	-6%	-1,165	-642	+81%
Net operating income	**-511**	**-538**	**-5%**	**-1,437**	**-891**	**+61%**
PBT	-544	-577	-6%	-1,558	-1,168	+33%
Underlying attrib. profit	**-543**	**-577**	**-6%**	**-1,583**	**-1,232**	**+28%**

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Retail Banking

Underlying attributable profit
EUR 5,891 mn

Executive summary

Results. (9M'21 vs. 9M'22). % change in constant euros

Profit increased driven by total income and lower minority interests and tax burden

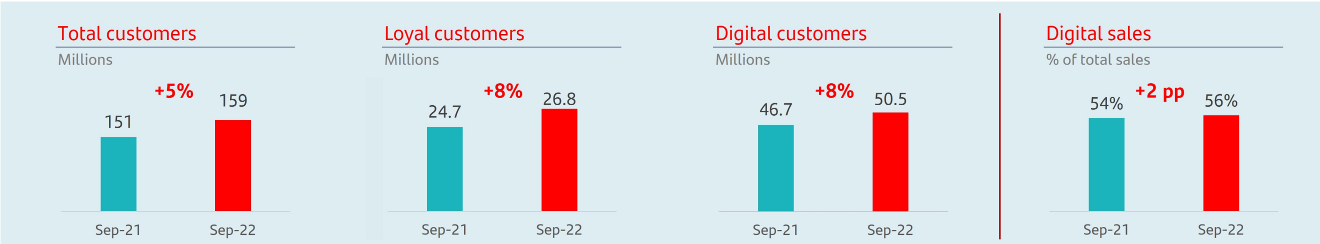
Total income	Costs	Provisions
+2%	+4%	+22%

Business performance. EUR bn. % change in constant euros

Continued growth in asset and liability volumes

Loans and advances to customers	Customer funds
859 +6% YoY	809 +2% YoY

Customers



Commercial activity

We continued to accelerate the implementation and development of our digital transformation, focusing on our multi-channel strategy and the digitalization of processes and businesses. Our aim is to ensure personalized support tailored to each customer's needs, which also addresses one of our main priorities, the continuous improvement our customer service.

In addition, we rolled out several commercial initiatives, with tailored products and services for each segment, as previously explained in the regions and countries:

- In individuals, mortgages continued to grow in many of our markets, with positive trends in the UK, Portugal (market share exceeded 20%) and in Mexico, where we continued to be one of the top mortgage lenders in the country. However, there was a slowdown in Spain in the quarter due to rising interest rates. We are digitalizing the processes for granting consumer loans in most countries.
- In auto finance, we made headway in new alliances and partnerships and renewing existing ones, both in Europe and the US, and we continued to record strong increases in auto financing in most South American countries.
- Regarding corporates, we continued to offer differentiated products and services for SMEs, companies and SCIB, while launching joint initiatives between them to deepen relationships with multinational clients.

These initiatives allowed us to reach 159 million customers across the Group. The number of loyal customers increased 8% year-on-year to 26.8 million, digital customers rose 8% year-on-year to 50 million and digital sales accounted for 56% of total sales.

Results

Underlying attributable profit in **the first nine months of 2022** was EUR 5,891 million, 9% higher year-on-year. Excluding the exchange rate impact, it was stable, as follows:

- Total income grew 2% driven by higher net interest income (+7%) and net fee income (+4%) which offset lower gains on financial transactions.
- Costs increased 4%, affected by inflation. Net operating income grew 1% and efficiency stood at 43.6%.
- Loan-loss provisions rose 22%, mainly driven by the increases in North and South America.
- Lower tax burden and lower impacts from minority interests.

Retail Banking. Underlying income statement

EUR million and % change

		/ Q2'22			/ 9M'21	
	Q3'22	%	excl. FX	9M'22	%	excl. FX
Revenue	10,999	+4	+4	31,634	+9	+2
Expenses	-4,775	+3	+3	-13,800	+9	+4
Net operating income	**6,224**	**+5**	**+5**	**17,834**	**+10**	**+1**
LLPs	-2,733	+4	+4	-7,465	+31	+22
PBT	2,818	-1	-2	8,815	-5	-13
Underlying attrib. profit	**1,899**	**-2**	**-3**	**5,891**	**+9**	**0**

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Santander Corporate & Investment Banking

SCIB

Underlying attributable profit
EUR 2,364 mn

Executive summary

Results. (9M'22 vs. 9M'21). % change in constant euros

Total income	Underlying att. profit
+25%	+36%
Efficiency ratio	**RoTE**
36.4%	24.8%

Our aim and strategic priorities

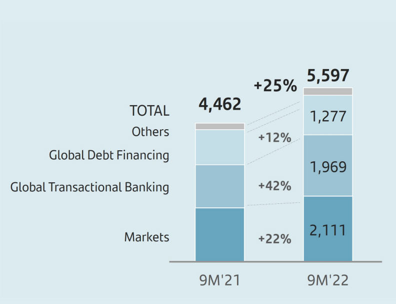
Become one of the main **CIB players** in the region, strengthening our advisory capabilities through the **pan-European platform**

Consolidate our **pan-regional leadership position** in the majority of countries and products

Raise the level of our CIB franchise and integrate Amherst Pierpont Securities

Become our clients' **strategic advisor** of choice with a greater focus on **ESG** and **digital solutions**

Revenue growth by business and region*



+16%

+33%

+34%

* Constant EUR million

Other highlights in the quarter

Strategic agreement to accelerate the GTB services digitalization

SCIB received numerous awards from: Institutional Investor, GlobalCapital, LATINFINANCE

First EU bond issuance mandate

NextGenerationEU

Continued to lead League Tables globally — Top 3

Structured Finance > Green Finance — Debt Capital Markets

Strategy

In a challenging macroeconomic and geopolitical environment, our priority has been to support our clients, while ensuring compliance with international restrictions and sanctions related to the Russia-Ukraine conflict.

In this environment, SCIB continued to make headway in the execution of its strategy to transform the business and become our clients' strategic advisor of choice, via specialized high value-added products and services; focusing on ESG and the digital transformation.

Our goal with this transformation is to become one of the leading investment banks in Europe through a pan-European platform, consolidate leadership in Latin America in most countries and products, and continue to accelerate growth in the US focusing on the integration of broker-dealer Amherst Pierpont Securities (APS) as a first step towards achieving its growth ambitions.

As an example of the execution of our strategy, in the third quarter of the year, SCIB announced the reorganization of the Markets business naming Michael Bagguley the new Global Markets head. Michael, from Barclays, will centralize the management of a business traditionally divided in regions in SCIB. To strengthen the pan-European platform, we also announced Tobias Heilmaier's appointment as the head of SCIB Germany.

In ESG in Q3, SCIB was financial advisor in the sale of 3 offshore wind farms (The largest being Hornsea One (1.2GB) with a global value of GBP 4.5 billion) and acted as advisor in its first transaction in the distributed solar photovoltaic power generation market, in an operation valued at EUR 1.4 billion.

In Debt Capital Markets (DCM), SCIB closed its first mandate as structurer with the European Union under the Next Generation EU (NGEU) programme. Additionally, we structured Grupo Santander's first "Green, Social & Sustainability Funding Global Framework" bond, totalling USD 500 million.

Global Transaction Banking (GTB) consolidated its leadership in sustainability-linked confirming programmes. With the help of SCIB, a major European telecommunications company will support its European supply chain in its energy transition. Henkel will do the same in Latin America, offering the first such programme in the region. Together they cover more than 5,000 suppliers and purchase volumes exceeding EUR 7 billion. In addition, the Export Finance team, together with the Inter-American Development Bank, closed USD 60 million of financing to BAC Credomatic El Salvador to support the funding of women-led SMEs under the El Salvador Accelerate Women programme.

Focusing on digital transformation, during the quarter SCIB and SAP joined forces to accelerate the digitalization of GTB services. As a result, SCIB's global clients have at their disposal state-of-the-art banking solutions that will help them avoid supply chain disruptions and empower their energy and digital transformations.

Digital Solutions Group (DSG) had strong activity in digital infrastructure M&A with significant transactions in Spain and Italy, and funding and advice from Global Debt Financing (GDF) in the fintech space in Europe and the Americas.

1st Q3 2022 Awards

Institutional Investor	Best Iberian Broker
GlobalCapital	Latin America Derivatives House of the Year
LATINFINANCE	Finance 2022 Project & infrastructure Finance Awards: Bank of the Year – Southern Cone
EUROMONEY	Best Investment Bank in Spain

Results

Underlying attributable profit **in the first nine months of 2022** amounted to EUR 2,364 million (27% of the Group's total operating areas), 36% higher than in the same period of 2021, becoming one of the best in SCIB's history, backed by double-digit growth across core businesses, notably GTB and GDF.

Revenue performance by business (in constant euros) was as follows:

- **Markets**: 22% increase year-on-year. Macroeconomic uncertainty and volatility contributed to the good performance of exchange rate hedging products. This, combined with good risk management, led to a positive revenue trend.

  By region, in Markets Europe & Asia, this uncertainty resulted in lower sales activity with clients. On the other hand, good management of the Market Making teams allowed us to protect the value of our trading books.

  There was strong demand for hedging products in all countries in Latin America. Inflation and political events also generated trading book opportunities, especially in Chile and Brazil.

  In the US, the solid results in the quarter were driven by FICC (Fixed Income Currency and Commodities), Rates, FX and Securities Finance tables, combined with greater institutional and corporate customers flows.

- **GDF (Global Debt Financing)**: continued to increase revenue (+12%) despite the complex geopolitical situation and high inflation. DCM remained at levels similar to Q2, breaking the negative streak in markets, but without a definitive rebound. Santander continued to gain market share, remaining in the top 5 for corporates in Europe.

  Regarding Structured Finance, Santander continued to lead league tables globally, highlighting our clear leadership in the renewable sector (top in Latin America, Europe and globally), a key element in the bank's ESG strategy.

- **GTB (Global Transactional Banking)**: revenue grew 42% year-on-year. Cash Management continued the year's upward trend both in terms of transactionality and revenue from liabilities, favoured by the rise in economic activity in most countries where SCIB is present, as well as the rise in interest rates, especially in Europe and the US.

  Trade & Working Capital Solutions (T&WCS) continued to focus on providing our clients with solutions that enable them to release captive liquidity from accounts and inventories, strengthen their supply chains, mitigate business transactions risks and achieve their ESG objectives. With regard to the latter, T&WCS more than tripled ESG operating revenue year-on-year.

  In Export Finance, SCIB continued its good trend and maintains its leadership in the market. It was second in the global ranking of ECA financing (according to Dealogic's criteria), with 50% growth in the volume financed compared to the previous year. It also led the ranking in Europe and remained in the top 2 in Latin America in export finance.

- **CF (Corporate Finance)**: strong performance in Mergers and Acquisitions (M&A), with double-digit year-on-year growth, but damped the slowdown in Equity Capital Markets activity in the face of the global equity market closures. Of note, was the participation in Opdenery's IPO, the first in Spain in the last 12 months.

  In the Telecommunications, Media & Technology (TMT) industry, Santander remained very active, including the M&A transactions of MasMovil and Ardian, valued at almost EUR 2 billion.

  In Energy, Santander strengthened its presence in the offshore wind sector with three major operations: the aforementioned Hornsea One, Vikinger and advice on the largest M&A's largest operation of offshore wind asset in the Baltic Sea.

  In CRH (Consumer Retail Healthcare), Santander continued to grow its franchise through the most significant operations in the sector, including the merger of Dufry with Autogrill for EUR 5,3 billion.

  Santander continued to be a key player in infrastructure, both in Europe and Latin America. This quarter, we advised Platinum Equity on the sale of Socamex, a Spanish water company acquired by Quaero Capital.

Operating expenses increased 15% year-on-year due to investments in products and franchises under development. However, at 36.4%, efficiency remained lower than the previous year and well below the sector.

Sharp improvement in **loan-loss provisions** compared to 9M 2021, which was still heavily affected by the macroeconomic deterioration caused by the covid-19 pandemic.

Compared to the **previous quarter**, revenue increased 8% and underlying attributable profit increased 10%.

SCIB. Underlying income statement

EUR million and % change

		/ Q2'22			/ 9M'21	
	Q3'22	%	excl. FX	9M'22	%	excl. FX
Revenue	1,985	+7	+8	5,597	+31	+25
Expenses	-747	+11	+10	-2,035	+20	+15
Net operating income	**1,238**	**+5**	**+7**	**3,562**	**+39**	**+33**
LLPs	-8	—	—	14	—	—
PBT	1,208	+5	+7	3,499	+41	+35
Underlying attrib. profit	**833**	**+8**	**+10**	**2,364**	**+41**	**+36**

Detailed financial information on page 72

Wealth Management & Insurance

WM&I

Underlying attributable profit
EUR 818 mn

Executive summary

Results (9M'22 vs. 9M'21). % change in constant euros

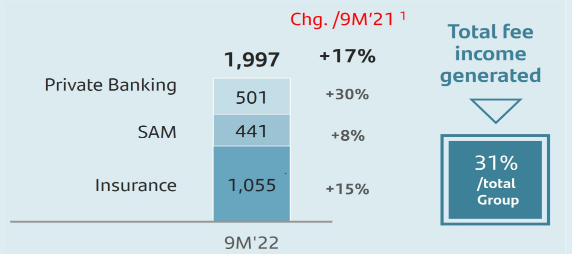
Total fee income generated[1]	Total contribution to profit[1]	Assets under management (AuMs)	RoTE
+6%	+17%	-5%	59.5%

Growth drivers 9M'22

Private Banking	Asset Management	Insurance
Net new money	AuMs	Gross written premiums
EUR 9.5 bn	EUR 192 bn	+24%
(3.7% of total CAL)	(-5% vs Sep-21)	vs Sep-21

Total contribution to profit by business

Constant EUR million (incl. fee income ceded to the Group)



(1) Excluding insurance one-offs in 2021.

Other highlights in the period

Private Banking	SAM	Insurance
Customer growth +6% vs Sep- 21	**SRI*** EUR 38.5 bn (Total SRI WM&I: EUR 54 bn)	**Fee income**[1] EUR 1.23 bn +8% vs. 9M'21

* Socially Responsible Investments

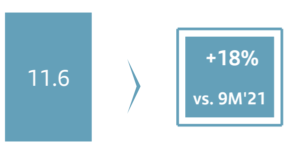
Commercial activity

We aim to become the best Wealth & Protection Manager in Europe and Latin America, being one of the Group's growth drivers:

- In **Private Banking**, despite market volatility and inflationary pressures, we continued to leverage our scale so clients can benefit from our global platform and to foster collaboration across markets and segments. Collaboration volumes reached EUR 11.6 billion, year to date generating 18% revenue growth year-on-year. We are the leader in the large flow of investment from Latin America to Spain and the United States.

Collaboration volumes

Constant EUR billion



We continued to renew our value proposition, widening our product range according to market trends, with a particular focus on alternative products, collateralized lending, investment banking and socially responsible products (ESG). We also continued to grow our discretionary advisory service, to offer our clients value-added solutions tailored to their specific investment needs and risk profiles, which accounted for 12.1% of total assets under management (AuMs), 1% more than the same period last year.

Our range of alternative products exceeded EUR 2.6 billion (EUR 1.7 billion in the same period of 2021) in both Santander Asset Management (SAM) and third-party funds. In addition to the funds launched during the first six months (Laurion, Blackrock, Compass, Ameris, Sancus and Qualitas), this quarter we also launched EB Capital Preferred Futures and EPC Multifamily Partners V.

Our real estate investment service, which is capturing a large part of the existing flow between Latin America and Europe and the United States, reached a total volume of EUR 110 million through transactions in the period.

Our Socially Responsible Investment (SRI) products amounted to more than EUR 24 billion, (classified according to Article 8 or 9 under the SFDR or similar criteria applicable in Latin America).

- In **SAM,** market volatility affected overall asset valuations and investment flows. In this environment, we continued to improve and complete our local and global product offerings. We made further headway in our ESG strategy, offering 71 products globally, and AuMs (integrating sustainability strategies) of around EUR 38.5 billion. The range of alternative products aimed primarily at our institutional clients and Family Offices is increasingly robust, with 8 funds already launched and EUR 1,009 million already invested.

- In **Insurance**, we maintained a healthy growth rate in premiums, mainly in the Non-Related and Savings businesses. The credit-related business was slightly affected by the macroeconomic environment, especially in Brazil.

  Protection insurance sales were particularly strong in Europe, as a result of the optimization of client communication and the introduction of new products. The new savings value proposition developed in Spain was particularly successful, completing the range of unit linked products, guaranteed interest and annuities.

  In the Americas we continued to consolidate the diversification of the non-credit insurance business, with double-digit growth in new sales in 2022. We launched a new Life and Accident Insurance offer in Brazil and a new unit linked product offering in Mexico.

The motor vehicle insurance business was 11% higher. Our Autocompara platform, which operates in Argentina, Brazil, Chile, Mexico and Uruguay, reached 1.4 million active policies. Gross fees from the SME grew 11% year-on-year, boosted by the good performance of the Americas, where they grew 16% year-on-year.

Regarding our digital strategy, we continued to increase the number of insurance policies distributed through our digital channels at double-digit rates, which now account for 20% of the total sales volumes (+5% year-on-year).

Business performance

Total assets under management amounted to EUR 402 billion, 5% lower year-on-year, dampened by market performance since early 2022, particularly in Europe.

Business performance: SAM and Private Banking

Constant EUR billion

		/ Jun-22	/ Sep-21
Total assets under management	402	0%	-5%
Funds and investment*	245	0%	-5%
- SAM	192	0%	-5%
- Private Banking	77	0%	-7%
Custody of customer funds	91	-1%	-14%
Customer deposits	66	+3%	+12%
Customer loans	23	+1%	+8%

Note: Total assets marketed and/or managed in 2022 and 2021.
(*) Total adjusted private banking customer funds managed by SAM.

- In **Private Banking**, the volume of customer assets and liabilities (CAL) reached EUR 257 billion, 4% lower than in September 2021, affected by custody valuations. Net new money amounted to EUR 9.5 billion (3.7% of total volume), including EUR 1.6 billion in credit. Net profit in 9M'22 was EUR 501 million, up 30% compared to 9M'21, primarily backed by total income. Threshold Private Banking clients increased 6% to 112,000 clients.

- In **SAM,** total AuMs decreased 5% year-on-year due to market performance to EUR 192 billion. Net sales recorded outflows of EUR 2.8 billion (1.5% of the total). The total contribution to the Group's profit (including ceded fee income) was EUR 441 million, 8% higher year-on-year.

- In **Insurance,** the volume of gross written premiums in 9M'22 amounted to EUR 8.7 billion (+24% year-on-year), with protection premiums growing 9% despite lower lending demand in Latin America. Total fee income rose 4% (+8% excluding the impact from insurance portfolio buybacks in 2021) and net fee income from protection insurance was 6% higher. The total contribution to profit stood at EUR 1,055 million, -3% year-on-year (+15% excluding insurance earn-out one-offs and insurance portfolio buybacks in 2021).

Results

Underlying attributable profit was EUR 818 million **in the first nine months of 2022,** up 7% year-on-year in constant euros (+31% excluding insurance one-offs in 2021), as follows:

- Total income increased 7% as a result of improved margins and net fee income.

- Total fee income generated amounted to EUR 2,735 million (+4% year-on-year; +6% excluding insurance one-offs in 2021) and represented 31% of the Group's total.

Total fee income generated

Constant EUR million

2.735

+4% vs. 9M'21

31% / total Group

- Operating expenses were 6% higher year-on-year, due to the investments carried out together with higher costs related to increased commercial activity and the perimeter of several operations, such as the acquisition of Crédit Agricole's business in Miami in 2021.

The total contribution to the Group (including net profit and total fees generated net of tax) was EUR 1,997 million in 9M'22, 6% higher than in the same period of 2021 (+17% excluding insurance one-offs in 2021).

Compared to the previous quarter, underlying attributable profit rose 11% primarily driven by the positive performance in total income and cost stability.

To sum up, a very positive quarter in which we continued to grow at double-digit rates on a like-for-like basis despite the macroeconomic and market environment.

Total contribution to profit

EUR million and % change in constant euros

Q3'22	9M'22
713	1,997
+7% / Q2'22	+6% / 9M'21

WM&I. Underlying income statement

EUR million and % change

		/ Q2'22			/ 9M'21	
	Q3'22	%	excl. FX	9M'22	%	excl. FX
Revenue	685	+8	+7	1,907	+12	+7
Expenses	-263	+4	+3	-758	+12	+6
Net operating income	**422**	**+10**	**+10**	**1,149**	**+11**	**+8**
LLPs	-5	-45	-46	-13	-34	-35
PBT	414	+13	+13	1,118	+9	+6
Underlying attrib. profit	**302**	**+12**	**+11**	**818**	**+11**	**+7**

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PagoNxt

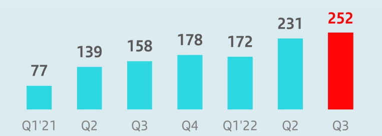
Underlying attributable profit

-EUR 173 mn

Executive summary

Revenue performance

Solid revenue growth*



+75%
9M'22 vs 9M'21

Our business

Merchants	International Trade	Payments	Consumers
Global payments solutions for all merchant segments	International trading solutions for business	Wholesale account-to-account payment solutions	Financial marketplace for the underbanked

Our main strategic priorities

- Scaling up our **global technology platform**
- Accelerating our **commercial growth**
- Pursuing the **open market opportunity**

Main growth drivers

Merchants Total Payments Volume*	Active merchants	International Trade active customers
+29% 9M'22 vs 9M'21	**+3%** Sep-22 vs Sep-21	**>30k**

(*) Constant EUR million.

Strategy

PagoNxt aims to achieve a global leadership position in payments through our distinctive, holistic and customer-centric value proposition. We are one-of-a-kind paytech business providing customers with a one-stop shop for innovative payments and integrated value-added solutions.

We address several high-growth and strategic business segments, namely:

- **Merchants**: providing global and integrated acquiring, processing and value-added solutions for physical and e-commerce merchants of all sizes.

Getnet

- **International Trade:** delivering specialized cross-border trading solutions – payments, FX, cash management, trade finance – for business customers, in a large and global addressable market yet to be fully digitalized.

Ebury OneTrade

- **Payments**: providing wholesale account-to-account payments processing and instant connectivity to schemes in multiple geographies through a highly-scalable model.

Payments Hub

- **Consumers**: providing a financial marketplace for the economic inclusion of the underbanked and low-income population, with a focus on Latin America.

superdigital

PagoNxt's technology platform and specialist teams serve Grupo Santander's payments needs and additionally cater for open market opportunities beyond Santander's business.

PagoNxt's strategy is anchored on the following key levers:

- Scaling up our global, cloud-native, data-driven, secure and efficient platform. We operate a connected, real-time, flexible and highly scalable technology platform that is fully cloud and API-based to ensure access to PagoNxt's latest features through a single integration. We process and generate insights to help our customers and their businesses leverage the full power of data and make data-driven decisions.
- Accelerating commercial growth by continuing to strengthen our commerce and international trade ecosystem, our offerings and our distribution through Santander's commercial muscle.
- Decisively pursuing the open market opportunity through direct commercialization and distribution partnerships, increasing our market penetration in Europe, South America and North America and extending our footprint to additional countries.

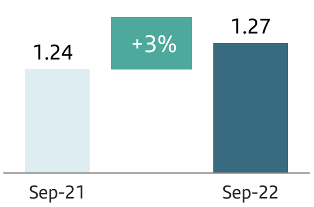
Business performance

In the first nine months of the year, PagoNxt had several important achievements, effectively responding to the current market challenges:

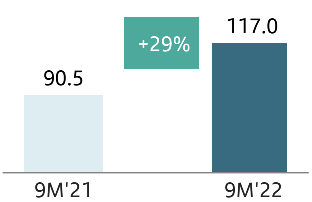
- Getnet continued its growth, reaching 1.27 million active merchants (+3% vs Sep-21) and EUR 117 billion in Total Payments Volume (TPV), 29% higher compared to the same period of 2021.
  - TPV in Getnet Brasil increased 18% from January to September boosted by the retail customer segment and by our e-commerce activity. Our strategy in the country is also focused on driving profitable growth through our pre-payments products proposition and value-added services, and through an increase in our SME penetration. We are pursuing opportunities through all sales channels and reinforcing our open market sales through partnerships, direct sales and digital channels.
  - Getnet Europe, our pan-European acquirer, grew significantly in the first nine months. TPV increased 42% and active merchants rose 13% year-on-year, mainly driven by the Spanish market which displayed a strong performance across all industries. In addition, we continue to progressively develop our open market strategy in the European region, where our presence now includes activity in 12 different countries.
  - Getnet México continued on its strong growth path, with TPV increasing 35% from January to September year-on-year. This rise was driven by an increase in the average ticket of our merchant base and by the strong performance of our open market distribution channels which include several partnerships with financial institutions, independent software vendors (ISVs) and payment ecosystems.
- Our One Trade platform continued to develop new and innovative solutions to become Grupo Santander's core provider of international capabilities. In the last quarter, the platform implemented new international trade services across the Santander banks in Spain, Chile and the US.
- More broadly in Grupo Santander payments, PagoNxt continued to accelerate its roadmap to become Santander's wholesale payments provider, centralizing all types of non-card payments.
- In the last quarter, Ebury showed strong performance on its B2B offerings targeting the open market, driven mainly by FX services.
- On the consumer side, our Superdigital business continued to expand its offering in Latin America. In Q3, Superdigital added financial products to our propositions in Brazil and Argentina, including loans, insurance and credit cards.

Merchants

Active merchants
Millions



Total Payments Volume
Constant EUR billion



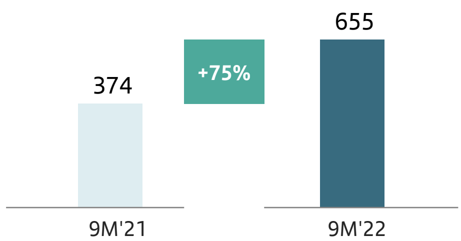
Results

In the first nine months of 2022, underlying attributable loss decreased year-on-year to -EUR 173 million, compared to -EUR 206 million in the first nine months of 2021.

Total income was EUR 655 million, a 96% increase year-on-year (+75% in constant euros), backed by the increase in business activity and volumes across regions, especially in our Merchant and Trade businesses (Getnet, Ebury).

This keeps PagoNxt on track to achieve its 50% revenue growth target for 2022.

PagoNxt. Revenue performance
Constant EUR million



In the period, PagoNxt continued its investment plans to develop and implement its global technology.

Compared to the previous quarter, underlying attributable profit stood at -EUR 69 million.

PagoNxt. Underlying income statement

EUR million and % change

	Q3'22	/ Q2'22 %	/ Q2'22 excl. FX	9M'22	/ 9M'21 %	/ 9M'21 excl. FX
Revenue	257	+9	+9	655	+96	+75
Expenses	-282	+9	+10	-729	+52	+45
Net operating income	**-24**	**+12**	**+16**	**-74**	**-49**	**-43**
LLPs	-13	+50	+50	-24	+246	+195
PBT	-50	+50	+51	-114	-40	-36
Underlying attrib. profit	**-69**	**+38**	**+40**	**-173**	**-16**	**-13**

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RESPONSIBLE BANKING

Responsible Banking targets

We continue to progress in our ESG agenda, towards the fulfillment of our public commitments:

	2018	2019	2020	2021	9M'22	2025 / 2030 target
• Electricity from renewable sources	43%	50%	57%	75%		100%
• Green finance raised and facilitated (€)		19bn	33.8bn	65.7bn	78.7bn	120bn by 2025 220bn by 2030
• AuMs in Socially Responsible Investments (€)				27bn	54bn	100bn by 2025
• Thermal coal-related power & mining phase out (€)				7.0 bn		0 by 2030
• Emissions intensity of power generation portfolio		0.21	0.17			0.11 tCO_2e / MWh in 2030
New • Absolute emissions of energy portfolio		23.84				16.98 $mtCO_2e$ in 2030
New • Emissions intensity of aviation portfolio		92.47				61.71 $grCO_2e$ / RPK in 2030
New • Emissions intensity of steel portfolio		1.58				1.07 tCO_2e / tCS in 2030
• Financially empowered people		2mn	5mn	7mn	9mn	10mn by 2025
• Women in senior positions	20%	23%	23.7%	26.3%	27.9%*	30% by 2025
• Equal pay gap	3%	2%	1.5%	1.0%		~0% by 2025

--> From...to... Accumulated

More information available at www.santander.com/en/our-approach.

Note: 2022 data not audited.

(*) H1'22 data.

Of note among the implemented ESG initiatives were:

Environmental

- In line with our commitment to grant EUR 120 billion in green finance by 2025 and EUR 220 billion by 2030, we mobilized nearly **EUR 4.3 billion in green finance** in the quarter, **EUR 78.7 billion since 2019**.
- In addition, in 2022 we funded more than 100,000 electric vehicles in SCF with a volume of more than EUR 3 billion.
- The volume of **AuMs in socially responsible investments** amounted to **EUR 54 billion**.
- We continued to **support our wholesale customers** through:
  - Participation as joint global coordinator of Greenvolt's capital increase to accelerate the development of renewable projects in Portugal.
  - A sustainable mobility initiative, financing 50 electric buses in Mexico City and the expansion of the bicycle service in São Paulo, Rio de Janeiro and Bogotá.
- New features and products for our customers, such as the new web portal for companies and individuals with sustainable product offers in Spain.
- Banco Santander joined the Taskforce on Nature-related Financial Disclosures (TNFD) forum. It is a multidisciplinary advisory group of global institutions which contributes to and actively participates in the development of the new disclosure framework.

Social

- We continue to strengthen our **financial inclusion and empowerment** proposition:
  - We have financially empowered more than 9 million people since 2019, heading towards our 10 million target by 2025, mainly driven by our microfinance programmes in Brazil and Mexico.
  - We granted over **EUR 677 million in loans** in the first nine months of the year through our microfinance programmes in 8 countries.
  - In Chile, the **Santander Life** financial inclusion proposal is going from strength to strength with more than one million customers. This fully-digital account can be opened from a mobile, has no minimum income requirements and has full functionality.
  - In the UK, we added a **financial support functionality** to the mobile to help customers manage the increase in the cost of living.
  - In Spain, together with *Plena Inclusión*, we launched the **'*Finanzas para Mortales*'** guide for people with learning difficulties focused on cybersecurity and using digital banking to promote financial education to those that need it most.
- We promote a **diverse and inclusive workplace**: in Brazil, we collaborated with *Afro Presença* for the fair employability of young black people, supported by the Public Ministry of Labour of São Paulo and other bodies such as Global Compact and UN Women. We also boosted the *Rede Mulher Empreenedora*, Brazil's largest female entrepreneur event.
- We **support the communities** in which we operate:
  - We provided 10,000 Santander scholarships for 15 hours of Excel training in 11 countries in our footprint.
  - In Brazil, we offered 100,000 free accesses to content on the Education First platform to encourage the study of English.
  - Universia Foundation launched its 2022-2023 scholarships programme for students with disabilities.
  - We continued to support Ukraine with various types of aid such as school kits for refugees or the donation of computer equipment to the police to help streamline their procedures.

Governance

- Mexico introduced aspects related to **sustainable funding** into the **incentive** schemes of its commercial teams.
- One Europe launched an **internal ESG and green funding campaign** to raise awareness and train employees in the relevance of these issues.
- *IR Magazine* has given Santander its award for **Best Annual Report** and **Best ESG Materiality Reporting**.
- Published **annual sustainability reports** in Poland and the United States.

9M'22 Awards

- In Portugal, we were named the **Best Retail Bank** by *World Finance*, for sustainable initiatives and for being the best in managing global public health and climate change crises.

EUROMONEY AWARDS FOR EXCELLENCE 2022 GLOBAL BEST BANK FOR FINANCIAL INCLUSION

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

FTSE4Good

UNEP FINANCE INITIATIVE | PRINCIPLES FOR RESPONSIBLE BANKING

Bloomberg Gender-Equality Index 2022

CORPORATE GOVERNANCE

A responsible bank has a solid governance model with well-defined functions, it manages risks and opportunities prudently and defines its long-term strategy looking out for the interests of all its stakeholders and society in general

→Changes in the organizational structure of the Group's Senior Management

On 27 September, Javier Maldonado assumed the role as Head of US Transformation to support and accelerate Santander's transformation of business and operations in the US. Mr Maldonado maintains his duties in strategic real estate development projects and in the Group Project Execution Office.

SANTANDER SHARE

In application of the shareholder remuneration policy for 2022, the board of directors approved the first payment against 2022 results, which will be made in two parts:

- A cash dividend of EUR 5.83 cents per share (pre-tax) will be paid from 2 November 2022. This is 20% higher than the equivalent in 2021.
- A share repurchase programme of up to EUR 979 million is expected to start once the applicable regulatory approval has been obtained, as announced in the Inside Information disclosed on 27 September 2022.

As a result, the total remuneration of this interim distribution will exceed EUR 1.9 billion (+16% compared to its equivalent of 2021) and represents approximately 40% of the H1 2022 underlying profit (20% dividend payment and 20% share repurchase).

The bank plans to announce a further and final remuneration from 2022 earnings in the first quarter of 2023, subject to the appropriate corporate and regulatory approvals.

→ Share price performance

Santander's shares are listed in 5 markets, in Spain, Mexico, Poland, the US (as an ADR) and the UK (as a CDI).

The quarter was marked by uncertainty due to the Russia-Ukraine conflict, high inflation and the fear of an economic slowdown.

The IMF lowered its global growth forecast for this year, and, more significantly, for 2023, first in July, and more severe in October. The deterioration, generalized and more pronounced than expected, was explained by: (i) higher inflation, which led to the tightening of financial conditions; (ii) China's slowdown, due to covid-19-related outbreaks and confinements; and (iii) other consequences from the Russia-Ukraine conflict.

In this context, the central banks had to tighten their monetary policies, prioritizing inflation control ahead of economic growth, increasing the likelihood of recession in almost all economies. The Fed raised interest rates to 3.25%, +300 bps in the year, while the ECB made a historic 75 bp hike to 1.25% at its last meeting, for a total of +125 bps since June.

The impact of these measures is driving a depreciation in many exchange rates against the dollar, resulting in the euro losing parity against it. The euro is affected by the high levels of uncertainty in Europe due to the energy crisis.

In this highly volatile and uncertain environment, the Santander share price ended the first nine months of the year with a negative return of 16.9%, similar performance to the Eurozone's main banking index, EuroStoxx Banks, which was down 17.3%. The other main indices also closed with declines. The DJ Stoxx Banks fell 13.5% and the MSCI World Banks 19.8%, compared to the 13.1% decrease in the Ibex 35 and the 10% decline in DJ Stoxx 50.

Share price

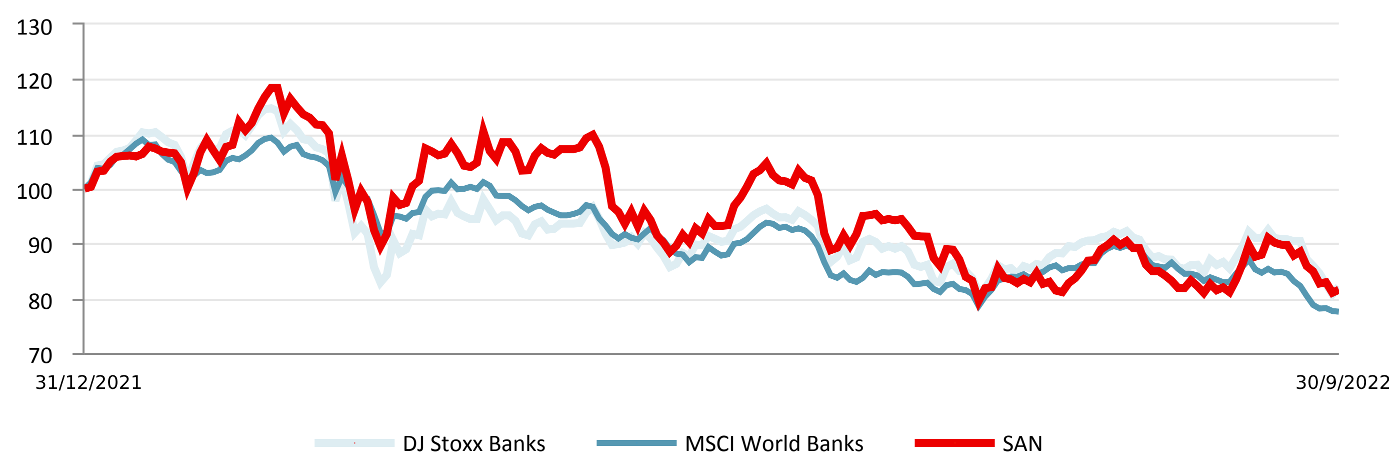
START 31/12/2021
€2.941

END 30/09/2022
€2.398

Maximum 10/02/2022
€3.482

Minimum 15/07/2022
€2.324

Comparative share performance



Market capitalization and trading

As at 30 September 2022, Santander was the second largest bank in the Eurozone by market capitalization and 42nd in the world among financial entities (EUR 40,265 million).

The share's weighting in the DJ Stoxx Banks index was 6.3% and 11.3% in the DJ Euro Stoxx Banks. In the domestic market, its weight in the Ibex 35 as at end-September was 10.3%.

A total of 10,730 million shares were traded in the period for an effective value of EUR 30,937 million and a liquidity ratio of 63%.

The daily trading volume was 56 million shares with an effective value of EUR 160 million.

2nd Bank in the Eurozone by market capitalization

EUR 40,265 million

Shareholder base

The total number of Santander shareholders at 30 September 2022 was 3,928,568, of which 3,420,921 were European (74.82% of the capital stock) and 496,437 from the Americas (24.13% of the capital stock).

Excluding the board, which holds 1.10% of the bank's capital stock, retail shareholders accounted for 42.62% and institutional shareholders accounted for 56.28%.

The Santander share

September 2022

Shares and trading data	
Shares (number)	16,794,401,584
Average daily turnover (number of shares)	55,595,426
Share liquidity (%)	63
(Number of shares traded during the year / number of shares)	
Stock market indicators	
Price / Tangible book value (X)	0.56
Free float (%)	99.87

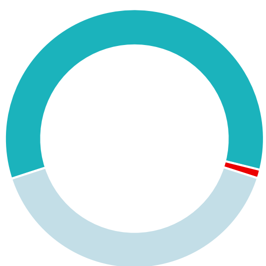
Share capital distribution by geographic area

September 2022

Source: Banco Santander, S.A Shareholder register.

Share capital distribution by type of shareholder

September 2022



(*) Shares owned or represented by directors.

2022

APPENDIX

Net fee income. Consolidated

EUR million

	Q3'22	Q2'22	Change (%)	9M'22	9M'21	Change (%)
Fees from services	1,771	1,772	(0.1)	5,140	4,255	20.8
Wealth management and marketing of customer funds	1,064	1,004	6.0	2,991	2,751	8.7
Securities and custody	180	264	(31.8)	736	804	(8.5)
Net fee income	**3,015**	**3,040**	**(0.8)**	**8,867**	**7,810**	**13.5**

Underlying operating expenses. Consolidated

EUR million

	Q3'22	Q2'22	Change (%)	9M'22	9M'21	Change (%)
Staff costs	3,177	3,085	3.0	9,125	8,205	11.2
Other general administrative expenses	2,190	2,077	5.4	6,235	5,509	13.2
Information technology	662	596	11.1	1,823	1,596	14.2
Communications	103	108	(4.6)	311	299	4.0
Advertising	142	144	(1.4)	407	364	11.8
Buildings and premises	198	192	3.1	557	519	7.3
Printed and office material	23	24	(4.2)	70	66	6.1
Taxes (other than tax on profits)	147	139	5.8	427	394	8.4
Other expenses	915	874	4.7	2,640	2,271	16.2
Administrative expenses	**5,367**	**5,162**	**4.0**	**15,360**	**13,714**	**12.0**
Depreciation and amortization	793	738	7.5	2,235	2,064	8.3
Operating expenses	**6,160**	**5,900**	**4.4**	**17,595**	**15,778**	**11.5**

Operating means. Consolidated

	Employees[1]			Branches[2]		
	Sep-22	Sep-21	Change	Sep-22	Sep-21	Change
Europe	**64,925**	**64,538**	**387**	**3,163**	**3,265**	**(102)**
Spain	26,674	25,632	1,042	1,914	1,952	(38)
United Kingdom	20,818	21,454	(636)	449	450	(1)
Portugal	4,953	5,716	(763)	385	397	(12)
Poland	10,502	10,291	211	407	458	(51)
Other	1,978	1,445	533	8	8	—
North America	**44,500**	**43,135**	**1,365**	**1,852**	**1,888**	**(36)**
US	14,705	15,484	(779)	484	514	(30)
Mexico	28,783	27,027	1,756	1,368	1,374	(6)
Other	1,012	624	388	—	—	—
South America	**76,028**	**69,961**	**6,067**	**3,754**	**3,793**	**(39)**
Brazil	53,699	47,877	5,822	2,903	2,941	(38)
Chile	9,798	10,570	(772)	301	332	(31)
Argentina	8,452	8,715	(263)	403	408	(5)
Other	4,079	2,799	1,280	147	112	35
Digital Consumer Bank	**16,066**	**15,920**	**146**	**365**	**308**	**57**
Corporate Centre	**1,857**	**1,710**	**147**			
Total Group	**203,376**	**195,264**	**8,112**	**9,134**	**9,254**	**(120)**

(1) UK and Poland figures have been changed to headcount to align with the other units.
(2) Branch data for Brazil has been adjusted to the show number of physical branches rather than operating units.

Underlying net loan-loss provisions. Consolidated

EUR million

	Q3'22	Q2'22	Change (%)	9M'22	9M'21	Change (%)
Non-performing loans	3,093	2,988	3.5	8,490	6,901	23.0
Country-risk	(1)	—	—	—	(1)	(100.0)
Recovery of written-off assets	(336)	(354)	(5.1)	(999)	(927)	7.8
Net loan-loss provisions	**2,756**	**2,634**	**4.6**	**7,491**	**5,973**	**25.4**

Loans and advances to customers. Consolidated

EUR million

	Sep-22	Sep-21	Change Absolute	Change %	Dec-21
Commercial bills	55,936	42,316	13,620	32.2	49,603
Secured loans	576,932	525,118	51,814	9.9	542,404
Other term loans	300,343	276,474	23,869	8.6	269,526
Finance leases	38,998	38,083	915	2.4	38,503
Receivable on demand	12,128	9,549	2,579	27.0	10,304
Credit cards receivable	22,394	18,570	3,824	20.6	20,397
Impaired assets	33,727	31,629	2,098	6.6	31,645
Gross loans and advances to customers (excl. reverse repos)	**1,040,458**	**941,739**	**98,719**	**10.5**	**962,382**
Reverse repos	51,093	40,358	10,735	26.6	33,264
Gross loans and advances to customers	**1,091,551**	**982,097**	**109,454**	**11.1**	**995,646**
Loan-loss allowances	24,085	23,786	299	1.3	22,964
Loans and advances to customers	**1,067,466**	**958,311**	**109,155**	**11.4**	**972,682**

Total funds. Consolidated

EUR million

	Sep-22	Sep-21	Change Absolute	Change %	Dec-21
Demand deposits	716,428	697,371	19,057	2.7	717,728
Time deposits	226,737	167,035	59,702	35.7	164,259
Mutual funds	185,855	184,782	1,073	0.6	188,096
Customer funds	**1,129,020**	**1,049,188**	**79,832**	**7.6**	**1,070,083**
Pension funds	13,840	15,828	(1,988)	(12.6)	16,078
Managed portfolios	33,053	30,678	2,375	7.7	31,138
Repos	65,635	44,628	21,007	47.1	36,357
Total funds	**1,241,548**	**1,140,322**	**101,226**	**8.9**	**1,153,656**

Eligible capital (phased-in) [1]. Consolidated

EUR million

	Sep-22	Sep-21	Change Absolute	Change %	Dec-21
Capital stock and reserves	117,231	115,063	2,169	1.9	114,806
Attributable profit	7,316	5,849	1,468	25.1	8,124
Dividends	(1,463)	(1,276)	(188)	14.7	(1,731)
Other retained earnings	(31,705)	(34,968)	3,262	(9.3)	(34,395)
Minority interests	7,289	6,658	631	9.5	6,736
Goodwill and intangible assets	(17,464)	(15,781)	(1,682)	10.7	(16,064)
Other deductions	(5,705)	(4,757)	(948)	19.9	(5,076)
Core CET1	**75,499**	**70,787**	**4,711**	**6.7**	**72,402**
Preferred shares and other eligible tier 1	9,015	10,110	(1,095)	(10.8)	10,050
Tier 1	**84,513**	**80,897**	**3,616**	**4.5**	**82,452**
Generic funds and eligible tier 2 instruments	15,260	12,639	2,620	20.7	14,865
Eligible capital	**99,773**	**93,537**	**6,236**	**6.7**	**97,317**
Risk-weighted assets	616,738	577,209	39,530	6.8	578,930
CET1 capital ratio	**12.24**	**12.26**	**-0.02**		**12.51**
Tier 1 capital ratio	**13.70**	**14.02**	**-0.31**		**14.24**
Total capital ratio	**16.18**	**16.20**	**-0.03**		**16.81**

(1) The phased-in ratio includes the transitory treatment of IFRS 9, calculated in accordance with article 473 bis of the Regulation on Capital Requirements (CRR) and subsequent amendments introduced by Regulation 2020/873 of the European Union. Total phased-in capital ratios include the transitory treatment according to chapter 4, title 1, part 10 of the CRR2.

EUROPE

EUR million

Underlying income statement	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Net interest income	3,179	6.6	7.3	8,998	14.5	13.7
Net fee income	1,125	(3.1)	(3.0)	3,441	6.3	6.1
Gains (losses) on financial transactions [1]	229	34.4	34.3	599	5.2	4.5
Other operating income	159	—	—	235	(33.7)	(33.6)
Total income	**4,692**	**9.7**	**10.2**	**13,273**	**10.4**	**9.8**
Administrative expenses and amortizations	(2,132)	1.4	1.7	(6,296)	1.7	1.0
Net operating income	**2,559**	**17.8**	**18.4**	**6,977**	**19.8**	**19.3**
Net loan-loss provisions	(614)	(2.8)	(2.3)	(1,760)	(6.3)	(6.0)
Other gains (losses) and provisions	(562)	64.2	64.9	(1,140)	33.8	34.4
Profit before tax	**1,384**	**15.4**	**16.0**	**4,076**	**31.7**	**30.3**
Tax on profit	(372)	12.4	13.1	(1,125)	22.1	20.9
Profit from continuing operations	**1,011**	**16.6**	**17.2**	**2,952**	**35.8**	**34.3**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**1,011**	**16.6**	**17.2**	**2,952**	**35.8**	**34.3**
Non-controlling interests	(13)	(72.2)	(70.4)	(115)	118.0	124.0
Underlying profit attributable to the parent	**998**	**21.6**	**22.1**	**2,837**	**33.7**	**32.1**

Balance sheet	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Loans and advances to customers	608,463	(0.1)	0.8	608,463	3.0	3.9
Cash, central banks and credit institutions	249,140	6.3	6.9	249,140	23.5	23.9
Debt instruments	67,937	2.7	3.4	67,937	(4.0)	(2.8)
Other financial assets	54,416	15.7	15.4	54,416	12.6	12.4
Other asset accounts	28,197	(3.1)	(2.8)	28,197	(7.3)	(7.2)
Total assets	**1,008,153**	**2.3**	**3.0**	**1,008,153**	**7.0**	**7.8**
Customer deposits	638,309	1.9	2.9	638,309	4.8	6.0
Central banks and credit institutions	179,222	3.0	3.2	179,222	20.1	18.9
Marketable debt securities	72,780	0.9	2.2	72,780	(3.6)	(2.2)
Other financial liabilities	62,826	8.1	8.1	62,826	23.1	23.0
Other liabilities accounts	11,419	2.4	3.2	11,419	1.9	3.1
Total liabilities	**964,557**	**2.4**	**3.2**	**964,557**	**7.7**	**8.4**
Total equity	**43,596**	**(1.9)**	**(1.2)**	**43,596**	**(5.5)**	**(4.8)**

Memorandum items:	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Gross loans and advances to customers [2]	590,309	0.2	1.1	590,309	4.1	5.0
Customer funds	714,628	1.3	2.1	714,628	2.9	3.9
Customer deposits [3]	*621,834*	*2.1*	*3.1*	*621,834*	*5.6*	*6.7*
Mutual funds	*92,794*	*(4.0)*	*(3.7)*	*92,794*	*(12.1)*	*(11.8)*

Ratios (%), operating means and customers	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Underlying RoTE	9.87	2.02		9.15	2.07	
Efficiency ratio	45.4	(3.7)		47.4	(4.1)	
NPL ratio	2.58	(0.06)		2.58	(0.57)	
Total coverage ratio	49.7	(0.5)		49.7	(1.4)	
Number of employees	64,925	2.1		64,925	0.6	
Number of branches	3,163	(0.5)		3,163	(3.1)	
Number of loyal customers (thousands)	10,669	1.3		10,669	4.8	
Number of digital customers (thousands)	17,218	2.4		17,218	8.3	

(1) Includes exchange differences.
(2) Excluding reverse repos.
(3) Excluding repos.

Spain

EUR million

Underlying income statement	Q3'22	/ Q2'22 %	9M'22	/ 9M'21 %
Net interest income	1,119	10.0	3,134	(0.1)
Net fee income	697	(4.6)	2,172	5.6
Gains (losses) on financial transactions [1]	168	98.8	383	13.9
Other operating income	138	63.9	370	(2.7)
Total income	**2,121**	**10.7**	**6,058**	**2.5**
Administrative expenses and amortizations	(997)	2.7	(2,941)	(2.4)
Net operating income	**1,124**	**19.0**	**3,118**	**7.6**
Net loan-loss provisions	(421)	1.4	(1,228)	(27.2)
Other gains (losses) and provisions	(110)	(24.0)	(392)	(10.7)
Profit before tax	**593**	**54.2**	**1,497**	**94.0**
Tax on profit	(141)	44.6	(393)	79.9
Profit from continuing operations	**452**	**57.4**	**1,104**	**99.6**
Net profit from discontinued operations	—	—	—	—
Consolidated profit	**452**	**57.4**	**1,104**	**99.6**
Non-controlling interests	—	—	—	—
Underlying profit attributable to the parent	**452**	**57.3**	**1,104**	**99.5**

Balance sheet	Q3'22	/ Q2'22 %	9M'22	/ 9M'21 %
Loans and advances to customers	268,775	0.9	268,775	8.1
Cash, central banks and credit institutions	156,806	5.3	156,806	24.0
Debt instruments	34,889	10.2	34,889	3.4
Other financial assets	48,523	15.2	48,523	7.2
Other asset accounts	18,486	(0.3)	18,486	(1.4)
Total assets	**527,478**	**3.9**	**527,478**	**11.6**
Customer deposits	327,358	5.0	327,358	15.0
Central banks and credit institutions	94,144	1.3	94,144	5.9
Marketable debt securities	23,830	(6.7)	23,830	(18.0)
Other financial liabilities	55,131	7.4	55,131	20.3
Other liabilities accounts	6,692	12.0	6,692	42.1
Total liabilities	**507,155**	**4.0**	**507,155**	**11.9**
Total equity	**20,324**	**1.5**	**20,324**	**3.5**
Memorandum items:				
Gross loans and advances to customers [2]	257,396	1.6	257,396	6.8
Customer funds	391,002	3.8	391,002	8.5
Customer deposits [3]	*319,476*	*5.5*	*319,476*	*13.2*
Mutual funds	*71,526*	*(3.5)*	*71,526*	*(8.5)*

Ratios (%), operating means and customers	Q3'22	/ Q2'22 %	9M'22	/ 9M'21 %
Underlying RoTE	9.16	3.39	7.46	3.42
Efficiency ratio	47.0	(3.7)	48.5	(2.4)
NPL ratio	3.69	(0.15)	3.69	(1.18)
Total coverage ratio	49.3	(0.1)	49.3	(0.2)
Number of employees	26,674	1.5	26,674	4.1
Number of branches	1,914	(0.4)	1,914	(1.9)
Number of loyal customers (thousands)	2,967	3.0	2,967	7.8
Number of digital customers (thousands)	5,789	1.6	5,789	9.3

(1) Includes exchange differences.
(2) Excluding reverse repos.
(3) Excluding repos.

United Kingdom

EUR million

Underlying income statement	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Net interest income	1,277	4.1	5.0	3,695	14.3	12.1
Net fee income	93	(15.3)	(14.3)	295	(16.1)	(17.7)
Gains (losses) on financial transactions [1]	27	319.1	319.8	39	—	—
Other operating income	1	—	—	1	(53.2)	(54.1)
Total income	**1,397**	**4.1**	**5.0**	**4,031**	**12.3**	**10.1**
Administrative expenses and amortizations	(660)	(2.5)	(1.6)	(2,008)	3.7	1.7
Net operating income	**738**	**10.8**	**11.8**	**2,023**	**22.5**	**20.1**
Net loan-loss provisions	(109)	47.4	48.4	(234)	—	—
Other gains (losses) and provisions	(88)	(11.0)	(10.0)	(253)	91.6	87.9
Profit before tax	**540**	**9.7**	**10.7**	**1,535**	**(3.2)**	**(5.1)**
Tax on profit	(138)	4.8	5.8	(397)	(14.9)	(16.6)
Profit from continuing operations	**402**	**11.5**	**12.5**	**1,138**	**1.6**	**(0.3)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**402**	**11.5**	**12.5**	**1,138**	**1.6**	**(0.3)**
Non-controlling interests	—	—	—	—	—	—
Underlying profit attributable to the parent	**402**	**11.5**	**12.5**	**1,138**	**1.6**	**(0.3)**

Balance sheet	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Loans and advances to customers	256,914	(1.0)	1.1	256,914	(1.9)	0.4
Cash, central banks and credit institutions	68,554	5.0	7.2	68,554	13.7	16.3
Debt instruments	6,344	2.7	4.9	6,344	(21.0)	(19.2)
Other financial assets	873	51.9	55.2	873	61.3	65.1
Other asset accounts	4,208	(20.1)	(18.4)	4,208	(31.7)	(30.1)
Total assets	**336,893**	**—**	**2.1**	**336,893**	**—**	**2.3**
Customer deposits	225,842	(1.4)	0.7	225,842	(6.9)	(4.8)
Central banks and credit institutions	48,477	5.4	7.7	48,477	57.8	61.5
Marketable debt securities	44,591	3.4	5.6	44,591	6.6	9.1
Other financial liabilities	3,225	7.1	9.3	3,225	11.4	14.0
Other liabilities accounts	1,532	(19.9)	(18.1)	1,532	(52.3)	(51.2)
Total liabilities	**323,667**	**0.2**	**2.3**	**323,667**	**0.7**	**3.1**
Total equity	**13,226**	**(4.3)**	**(2.2)**	**13,226**	**(15.0)**	**(13.0)**
Memorandum items:						
Gross loans and advances to customers [2]	248,403	(1.0)	1.1	248,403	1.9	4.3
Customer funds	224,440	(1.8)	0.3	224,440	(4.1)	(1.9)
Customer deposits [3]	*217,519*	*(1.6)*	*0.5*	*217,519*	*(3.5)*	*(1.2)*
Mutual funds	*6,921*	*(8.4)*	*(6.5)*	*6,921*	*(19.8)*	*(17.9)*

Ratios (%), operating means and customers	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Underlying RoTE	12.47	1.81		11.31	0.02	
Efficiency ratio	47.2	(3.2)		49.8	(4.2)	
NPL ratio	1.16	(0.01)		1.16	(0.11)	
Total coverage ratio	32.4	(0.5)		32.4	(4.1)	
Number of employees	20,818	2.5		20,818	(3.0)	
Number of branches	449	(0.2)		449	(0.2)	
Number of loyal customers (thousands)	4,464	—		4,464	2.0	
Number of digital customers (thousands)	6,956	2.8		6,956	6.5	

(1) Includes exchange differences.
(2) Excluding reverse repos.
(3) Excluding repos.

Portugal

EUR million

Underlying income statement	Q3'22	/ Q2'22 %	9M'22	/ 9M'21 %
Net interest income	175	2.7	516	(5.8)
Net fee income	121	(1.2)	366	12.7
Gains (losses) on financial transactions [1]	10	(28.0)	54	(64.3)
Other operating income	13	—	(3)	(10.9)
Total income	**320**	**13.9**	**933**	**(8.6)**
Administrative expenses and amortizations	(125)	0.2	(376)	(12.4)
Net operating income	**194**	**25.0**	**557**	**(5.8)**
Net loan-loss provisions	2	—	(9)	(90.2)
Other gains (losses) and provisions	1	—	(24)	(9.0)
Profit before tax	**196**	**74.7**	**524**	**11.3**
Tax on profit	(61)	74.9	(162)	11.0
Profit from continuing operations	**136**	**74.6**	**361**	**11.4**
Net profit from discontinued operations	—	—	—	—
Consolidated profit	**136**	**74.6**	**361**	**11.4**
Non-controlling interests	—	29.3	(1)	44.0
Underlying profit attributable to the parent	**135**	**74.8**	**360**	**11.4**

Balance sheet	Q3'22	/ Q2'22 %	9M'22	/ 9M'21 %
Loans and advances to customers	39,637	0.2	39,637	1.2
Cash, central banks and credit institutions	11,188	(4.6)	11,188	21.9
Debt instruments	7,779	(2.6)	7,779	(11.1)
Other financial assets	1,328	(4.5)	1,328	(15.2)
Other asset accounts	1,542	9.7	1,542	16.0
Total assets	**61,473**	**(1.0)**	**61,473**	**2.5**
Customer deposits	42,944	(1.9)	42,944	2.7
Central banks and credit institutions	10,344	1.7	10,344	8.9
Marketable debt securities	3,335	23.6	3,335	25.8
Other financial liabilities	444	55.9	444	103.8
Other liabilities accounts	1,234	(7.0)	1,234	(26.1)
Total liabilities	**58,302**	**0.1**	**58,302**	**4.4**
Total equity	**3,172**	**(17.0)**	**3,172**	**(23.3)**
Memorandum items:				
Gross loans and advances to customers [2]	40,566	—	40,566	0.9
Customer funds	46,638	(1.9)	46,638	1.4
Customer deposits [3]	*42,944*	*(1.9)*	*42,944*	*2.7*
Mutual funds	*3,693*	*(2.3)*	*3,693*	*(11.3)*

Ratios (%), operating means and customers	Q3'22	/ Q2'22 %	9M'22	/ 9M'21 %
Underlying RoTE	16.24	7.93	13.20	2.48
Efficiency ratio	39.3	(5.4)	40.3	(1.7)
NPL ratio	3.03	(0.30)	3.03	(0.41)
Total coverage ratio	76.3	2.0	76.3	0.8
Number of employees	4,953	(0.5)	4,953	(13.3)
Number of branches	385	(0.3)	385	(3.0)
Number of loyal customers (thousands)	908	2.8	908	7.4
Number of digital customers (thousands)	1,073	5.3	1,073	9.4

(1) Includes exchange differences.
(2) Excluding reverse repos.
(3) Excluding repos.

Poland

EUR million

Underlying income statement	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Net interest income	530	9.0	11.0	1,424	98.2	103.6
Net fee income	135	3.9	6.0	403	4.5	7.3
Gains (losses) on financial transactions [1]	25	(43.3)	(41.8)	82	29.9	33.5
Other operating income	(1)	(98.8)	(97.5)	(130)	—	—
Total income	**690**	**19.0**	**21.1**	**1,780**	**53.8**	**58.0**
Administrative expenses and amortizations	(171)	(1.4)	0.6	(510)	5.5	8.4
Net operating income	**519**	**27.7**	**29.8**	**1,270**	**88.5**	**93.6**
Net loan-loss provisions	(88)	(36.5)	(35.0)	(290)	80.3	85.2
Other gains (losses) and provisions	(363)	503.6	508.2	(469)	84.6	89.7
Profit before tax	**68**	**(67.2)**	**(65.4)**	**512**	**97.4**	**102.8**
Tax on profit	(36)	(46.1)	(44.2)	(170)	74.5	79.3
Profit from continuing operations	**33**	**(76.9)**	**(75.1)**	**342**	**111.2**	**117.0**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**33**	**(76.9)**	**(75.1)**	**342**	**111.2**	**117.0**
Non-controlling interests	(11)	(76.9)	(75.1)	(113)	114.9	120.8
Underlying profit attributable to the parent	**22**	**(77.0)**	**(75.2)**	**229**	**109.4**	**115.1**

Balance sheet	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Loans and advances to customers	29,287	(3.2)	(0.2)	29,287	1.3	6.6
Cash, central banks and credit institutions	8,179	116.4	122.9	8,179	368.4	393.2
Debt instruments	11,460	(11.9)	(9.3)	11,460	(21.5)	(17.3)
Other financial assets	955	13.5	16.9	955	15.9	22.1
Other asset accounts	1,751	2.1	5.2	1,751	37.1	44.4
Total assets	**51,632**	**4.1**	**7.3**	**51,632**	**9.0**	**14.8**
Customer deposits	36,552	—	3.0	36,552	0.8	6.2
Central banks and credit institutions	6,511	40.2	44.4	6,511	221.8	238.9
Marketable debt securities	1,025	31.1	35.1	1,025	(47.3)	(44.5)
Other financial liabilities	1,268	9.3	12.6	1,268	43.3	50.9
Other liabilities accounts	1,526	(5.1)	(2.3)	1,526	26.2	32.9
Total liabilities	**46,882**	**4.8**	**7.9**	**46,882**	**10.8**	**16.7**
Total equity	**4,750**	**(1.8)**	**1.1**	**4,750**	**(6.1)**	**(1.1)**
Memorandum items:						
Gross loans and advances to customers [2]	30,076	(2.9)	—	30,076	0.4	5.7
Customer funds	39,513	(0.4)	2.6	39,513	(3.7)	1.4
Customer deposits [3]	*36,552*	*—*	*3.0*	*36,552*	*0.8*	*6.2*
Mutual funds	*2,961*	*(5.3)*	*(2.5)*	*2,961*	*(38.3)*	*(35.0)*

Ratios (%), operating means and customers	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Underlying RoTE	3.08	(9.31)		10.12	5.64	
Efficiency ratio	24.8	(5.1)		28.6	(13.1)	
NPL ratio	3.63	0.18		3.63	(0.71)	
Total coverage ratio	74.8	(1.2)		74.8	0.3	
Number of employees	10,502	0.3		10,502	2.1	
Number of branches	407	(1.5)		407	(11.1)	
Number of loyal customers (thousands)	2,329	0.9		2,329	5.6	
Number of digital customers (thousands)	3,235	2.0		3,235	10.9	

(1) Includes exchange differences.
(2) Excluding reverse repos.
(3) Excluding repos.

Other Europe

EUR million

Underlying income statement	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Net interest income	77	(3.1)	(6.3)	229	3.5	(1.7)
Net fee income	79	14.7	12.0	205	73.3	58.9
Gains (losses) on financial transactions [1]	(1)	—	—	41	140.0	84.0
Other operating income	8	—	—	(4)	(75.7)	(77.3)
Total income	**164**	**3.7**	**0.6**	**471**	**37.8**	**27.9**
Administrative expenses and amortizations	(179)	13.8	11.7	(462)	39.2	32.2
Net operating income	**(15)**	**—**	**—**	**10**	**(8.3)**	**(50.8)**
Net loan-loss provisions	3	—	—	1	—	—
Other gains (losses) and provisions	(2)	—	—	(3)	125.9	123.9
Profit before tax	**(15)**	**—**	**—**	**8**	**16.3**	**(48.2)**
Tax on profit	3	—	—	(3)	—	—
Profit from continuing operations	**(11)**	**—**	**—**	**6**	**(59.4)**	**(72.2)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**(11)**	**—**	**—**	**6**	**(59.4)**	**(72.2)**
Non-controlling interests	(1)	—	—	(1)	—	—
Underlying profit attributable to the parent	**(13)**	**—**	**—**	**5**	**(64.2)**	**(75.4)**
Balance sheet						
Loans and advances to customers	13,850	2.2	(3.7)	13,850	12.9	(3.7)
Cash, central banks and credit institutions	4,413	(4.9)	(9.7)	4,413	6.8	(9.1)
Debt instruments	7,464	2.1	1.4	7,464	32.0	31.2
Other financial assets	2,738	28.8	21.7	2,738	—	831.0
Other asset accounts	2,211	2.5	(0.6)	2,211	(23.3)	(27.9)
Total assets	**30,676**	**3.0**	**(1.4)**	**30,676**	**22.3**	**8.5**
Customer deposits	5,614	14.2	8.0	5,614	59.7	38.0
Central banks and credit institutions	19,746	(2.5)	(6.2)	19,746	8.8	(3.1)
Marketable debt securities	—	(83.6)	(84.4)	—	(80.9)	(83.7)
Other financial liabilities	2,757	18.7	12.7	2,757	124.0	97.6
Other liabilities accounts	435	32.0	31.0	435	6.7	5.9
Total liabilities	**28,552**	**2.7**	**(1.7)**	**28,552**	**22.5**	**8.8**
Total equity	**2,124**	**7.9**	**2.2**	**2,124**	**20.2**	**4.7**
Memorandum items:						
Gross loans and advances to customers [2]	13,868	2.2	(3.7)	13,868	12.9	(3.6)
Customer funds	13,036	1.8	(0.4)	13,036	(1.2)	(5.2)
Customer deposits [3]	*5,343*	*12.7*	*6.4*	*5,343*	*59.9*	*37.3*
Mutual funds	*7,693*	*(4.6)*	*(4.6)*	*7,693*	*(21.9)*	*(21.9)*
Resources						
Number of employees	1,978	28.3		1,978	36.9	

(1) Includes exchange differences.
(2) Excluding reverse repos.
(3) Excluding repos.

NORTH AMERICA

EUR million

Underlying income statement	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Net interest income	2,619	11.4	5.8	7,102	18.7	5.6
Net fee income	513	3.8	(1.4)	1,450	16.3	3.8
Gains (losses) on financial transactions [1]	4	(90.0)	(98.7)	124	(37.9)	(44.7)
Other operating income	104	3.4	(2.6)	344	(53.1)	(58.4)
Total income	**3,240**	**8.5**	**3.0**	**9,021**	**10.5**	**(1.7)**
Administrative expenses and amortizations	(1,546)	8.0	2.6	(4,239)	17.2	4.5
Net operating income	**1,694**	**9.0**	**3.4**	**4,782**	**5.1**	**(6.7)**
Net loan-loss provisions	(703)	34.3	28.8	(1,666)	52.2	35.6
Other gains (losses) and provisions	(46)	135.7	138.1	(111)	123.6	104.0
Profit before tax	**945**	**(6.5)**	**(12.3)**	**3,005**	**(11.7)**	**(21.7)**
Tax on profit	(239)	4.4	(1.2)	(703)	(9.7)	(19.8)
Profit from continuing operations	**706**	**(9.7)**	**(15.6)**	**2,302**	**(12.3)**	**(22.3)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**706**	**(9.7)**	**(15.6)**	**2,302**	**(12.3)**	**(22.3)**
Non-controlling interests	(13)	26.9	21.5	(31)	(92.4)	(93.2)
Underlying profit attributable to the parent	**693**	**(10.2)**	**(16.0)**	**2,271**	**2.4**	**(9.3)**
Balance sheet						
Loans and advances to customers	183,998	12.4	5.4	183,998	43.4	20.6
Cash, central banks and credit institutions	40,202	14.3	7.2	40,202	7.9	(9.2)
Debt instruments	44,815	(0.7)	(7.0)	44,815	19.9	0.1
Other financial assets	16,958	21.6	13.9	16,958	55.3	29.4
Other asset accounts	25,120	5.2	(1.2)	25,120	19.4	0.8
Total assets	**311,094**	**10.4**	**3.5**	**311,094**	**32.4**	**11.2**
Customer deposits	168,473	9.1	2.3	168,473	37.1	15.2
Central banks and credit institutions	36,613	18.0	10.5	36,613	44.1	20.4
Marketable debt securities	46,286	13.7	6.7	46,286	15.6	(2.5)
Other financial liabilities	24,563	18.0	10.5	24,563	85.4	54.3
Other liabilities accounts	7,416	9.6	2.8	7,416	22.4	2.8
Total liabilities	**283,352**	**11.7**	**4.7**	**283,352**	**36.5**	**14.6**
Total equity	**27,742**	**(1.3)**	**(7.4)**	**27,742**	**1.7**	**(14.2)**
Memorandum items:						
Gross loans and advances to customers [2]	164,773	8.7	1.9	164,773	29.6	9.0
Customer funds	163,570	8.3	1.5	163,570	22.1	2.5
Customer deposits [3]	*133,613*	*8.1*	*1.4*	*133,613*	*23.1*	*3.4*
Mutual funds	*29,958*	*8.9*	*2.0*	*29,958*	*17.7*	*(1.5)*
Ratios (%), operating means and customers						
Underlying RoTE	10.33	(1.46)		11.54	(1.46)	
Efficiency ratio	47.7	(0.2)		47.0	2.7	
NPL ratio	2.79	0.08		2.79	0.23	
Total coverage ratio	102.7	(8.7)		102.7	(36.6)	
Number of employees	44,500	1.6		44,500	3.2	
Number of branches	1,852	(0.4)		1,852	(1.9)	
Number of loyal customers (thousands)	4,558	1.8		4,558	8.8	
Number of digital customers (thousands)	7,014	0.8		7,014	7.6	

(1) Includes exchange differences.
(2) Excluding reverse repos.
(3) Excluding repos.

United States

EUR million

Underlying income statement	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Net interest income	1,669	11.3	5.4	4,546	15.3	2.4
Net fee income	194	(2.0)	(7.9)	588	(3.0)	(13.9)
Gains (losses) on financial transactions [1]	10	(68.5)	(76.9)	108	(12.6)	(22.4)
Other operating income	129	2.1	(3.8)	425	(49.1)	(54.8)
Total income	**2,001**	**8.0**	**2.1**	**5,667**	**2.9**	**(8.6)**
Administrative expenses and amortizations	(953)	7.9	2.0	(2,635)	12.3	(0.3)
Net operating income	**1,048**	**8.0**	**2.1**	**3,032**	**(4.0)**	**(14.8)**
Net loan-loss provisions	(513)	51.8	45.6	(1,107)	145.9	118.3
Other gains (losses) and provisions	(5)	—	—	(17)	199.7	166.0
Profit before tax	**530**	**(17.2)**	**(23.1)**	**1,908**	**(29.4)**	**(37.4)**
Tax on profit	(131)	(1.7)	(7.6)	(419)	(31.5)	(39.2)
Profit from continuing operations	**399**	**(21.2)**	**(27.2)**	**1,489**	**(28.9)**	**(36.8)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**399**	**(21.2)**	**(27.2)**	**1,489**	**(28.9)**	**(36.8)**
Non-controlling interests	—	—	—	—	(100.0)	(100.0)
Underlying profit attributable to the parent	**399**	**(21.2)**	**(27.2)**	**1,489**	**(14.0)**	**(23.7)**

Balance sheet	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Loans and advances to customers	140,391	12.6	5.7	140,391	46.3	23.8
Cash, central banks and credit institutions	18,451	(13.7)	(18.9)	18,451	(32.5)	(42.9)
Debt instruments	22,984	3.2	(3.1)	22,984	43.4	21.4
Other financial assets	6,392	9.1	2.5	6,392	58.2	33.9
Other asset accounts	20,100	3.3	(3.0)	20,100	15.1	(2.6)
Total assets	**208,318**	**7.6**	**1.0**	**208,318**	**29.6**	**9.6**
Customer deposits	125,416	10.7	4.0	125,416	43.6	21.5
Central banks and credit institutions	11,604	(21.0)	(25.8)	11,604	(1.1)	(16.3)
Marketable debt securities	36,768	13.2	6.3	36,768	8.7	(8.1)
Other financial liabilities	10,293	19.4	12.1	10,293	153.6	114.6
Other liabilities accounts	4,834	8.6	2.0	4,834	22.8	3.9
Total liabilities	**188,915**	**8.9**	**2.3**	**188,915**	**34.1**	**13.5**
Total equity	**19,403**	**(3.7)**	**(9.5)**	**19,403**	**(2.6)**	**(17.6)**
Memorandum items:						
Gross loans and advances to customers [2]	121,218	8.6	2.0	121,218	27.2	7.6
Customer funds	111,301	9.6	3.0	111,301	22.5	3.7
Customer deposits [3]	*96,752*	*9.9*	*3.2*	*96,752*	*25.4*	*6.1*
Mutual funds	*14,549*	*7.7*	*1.2*	*14,549*	*6.2*	*(10.1)*

Ratios (%), operating means and customers	Q3'22	/ Q2'22	9M'22	/ 9M'21
Underlying RoTE	7.82	(2.67)	10.31	(3.57)
Efficiency ratio	47.6	—	46.5	3.9
NPL ratio	2.92	0.29	2.92	0.56
Total coverage ratio	102.8	(18.3)	102.8	(58.7)
Number of employees	14,705	(1.6)	14,705	(5.0)
Number of branches	484	(0.4)	484	(5.8)
Number of loyal customers (thousands)	345	(5.3)	345	(5.5)
Number of digital customers (thousands)	1,034	0.3	1,034	0.2

(1) Includes exchange differences.
(2) Excluding reverse repos.
(3) Excluding repos.

Mexico

EUR million

Underlying income statement	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Net interest income	950	11.4	6.4	2,556	25.1	11.8
Net fee income	303	6.8	1.8	831	34.7	20.3
Gains (losses) on financial transactions [1]	(6)	—	—	16	(79.5)	(81.7)
Other operating income	(31)	2.4	(2.5)	(91)	(3.1)	(13.4)
Total income	**1,216**	**9.1**	**4.1**	**3,312**	**25.3**	**12.0**
Administrative expenses and amortizations	(537)	8.0	3.0	(1,467)	24.7	11.4
Net operating income	**679**	**10.0**	**5.0**	**1,845**	**25.9**	**12.5**
Net loan-loss provisions	(188)	2.3	(2.6)	(555)	(13.8)	(23.0)
Other gains (losses) and provisions	(38)	46.1	41.7	(91)	612.4	536.5
Profit before tax	**452**	**11.1**	**6.1**	**1,198**	**48.2**	**32.5**
Tax on profit	(111)	12.6	7.5	(293)	68.8	50.8
Profit from continuing operations	**340**	**10.6**	**5.6**	**906**	**42.6**	**27.4**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**340**	**10.6**	**5.6**	**906**	**42.6**	**27.4**
Non-controlling interests	(12)	15.2	10.1	(32)	(32.4)	(39.6)
Underlying profit attributable to the parent	**328**	**10.5**	**5.5**	**874**	**48.6**	**32.8**

Balance sheet	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Loans and advances to customers	43,550	11.6	4.3	43,550	34.5	11.1
Cash, central banks and credit institutions	21,429	58.7	48.2	21,429	121.3	82.8
Debt instruments	21,831	(4.5)	(10.8)	21,831	2.3	(15.5)
Other financial assets	10,350	30.8	22.1	10,350	50.4	24.3
Other asset accounts	4,769	14.1	6.6	4,769	44.5	19.4
Total assets	**101,928**	**16.5**	**8.8**	**101,928**	**38.5**	**14.4**
Customer deposits	42,829	4.4	(2.5)	42,829	20.4	(0.6)
Central banks and credit institutions	24,883	53.5	43.3	24,883	82.4	50.7
Marketable debt securities	9,518	15.8	8.1	9,518	53.8	27.1
Other financial liabilities	14,066	17.0	9.2	14,066	53.8	27.0
Other liabilities accounts	2,521	11.5	4.1	2,521	21.4	0.3
Total liabilities	**93,817**	**17.7**	**9.9**	**93,817**	**40.8**	**16.3**
Total equity	**8,111**	**4.9**	**(2.0)**	**8,111**	**16.8**	**(3.5)**

Memorandum items:	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Gross loans and advances to customers [2]	43,492	8.9	1.7	43,492	36.9	13.0
Customer funds	52,040	5.4	(1.6)	52,040	20.7	(0.4)
Customer deposits [3]	*36,632*	*3.5*	*(3.4)*	*36,632*	*16.7*	*(3.6)*
Mutual funds	*15,408*	*10.1*	*2.8*	*15,408*	*31.1*	*8.3*

Ratios (%), operating means and customers	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Underlying RoTE	18.17	1.34		16.59	3.33	
Efficiency ratio	44.2	(0.4)		44.3	(0.2)	
NPL ratio	2.34	(0.61)		2.34	(0.79)	
Total coverage ratio	102.7	18.6		102.7	12.6	
Number of employees	28,783	1.9		28,783	6.5	
Number of branches	1,368	(0.4)		1,368	(0.4)	
Number of loyal customers (thousands)	4,214	2.5		4,214	10.2	
Number of digital customers (thousands)	5,813	0.9		5,813	9.5	

(1) Includes exchange differences.
(2) Excluding reverse repos.
(3) Excluding repos.

Other North America

EUR million

Underlying income statement	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Net interest income	—	(25.8)	(25.8)	—	(97.2)	(97.2)
Net fee income	17	27.9	27.9	31	29.8	29.8
Gains (losses) on financial transactions [1]	—	(97.0)	(97.0)	1	—	—
Other operating income	6	30.9	30.9	11	—	—
Total income	**23**	**31.9**	**31.9**	**42**	**137.4**	**137.4**
Administrative expenses and amortizations	(56)	8.7	8.6	(137)	45.1	45.1
Net operating income	**(33)**	**(3.1)**	**(3.2)**	**(95)**	**23.7**	**23.7**
Net loan-loss provisions	(2)	21.9	21.9	(3)	—	—
Other gains (losses) and provisions	(2)	400.4	383.1	(3)	(90.5)	(91.2)
Profit before tax	**(37)**	**3.4**	**3.2**	**(101)**	**(6.3)**	**(8.4)**
Tax on profit	3	7.3	6.6	8	49.6	49.6
Profit from continuing operations	**(34)**	**3.0**	**2.9**	**(93)**	**(9.3)**	**(11.5)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**(34)**	**3.0**	**2.9**	**(93)**	**(9.3)**	**(11.5)**
Non-controlling interests	—	—	—	1	84.7	84.7
Underlying profit attributable to the parent	**(34)**	**6.4**	**6.2**	**(92)**	**(9.5)**	**(11.7)**
Balance sheet						
Loans and advances to customers	57	37.1	37.1	57	208.0	208.0
Cash, central banks and credit institutions	323	4.9	4.9	323	34.5	34.5
Debt instruments	—	(35.9)	(35.9)	—	—	—
Other financial assets	216	26.2	26.2	216	—	—
Other asset accounts	252	3.4	3.4	252	(10.9)	(10.9)
Total assets	**848**	**11.0**	**11.0**	**848**	**56.5**	**56.5**
Customer deposits	229	24.6	24.6	229	—	—
Central banks and credit institutions	126	(3.2)	(3.2)	126	247.8	216.1
Marketable debt securities	—	—	—	—	—	—
Other financial liabilities	205	22.7	22.7	205	344.0	344.0
Other liabilities accounts	60	17.4	17.4	60	36.8	36.8
Total liabilities	**620**	**16.5**	**16.5**	**620**	**356.5**	**344.6**
Total equity	**228**	**(1.7)**	**(1.7)**	**228**	**(43.8)**	**(43.3)**
Memorandum items:						
Gross loans and advances to customers [2]	62	37.2	37.2	62	235.5	235.5
Customer funds	229	24.6	24.6	229	—	—
Customer deposits [3]	*229*	*24.6*	*24.6*	*229*	—	—
Mutual funds	—	—	—	—	—	—
Resources						
Number of employees	1,012	68.7		1,012	62.2	

(1) Includes exchange differences.
(2) Excluding reverse repos.
(3) Excluding repos.

SOUTH AMERICA

EUR million

Underlying income statement	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Net interest income	3,411	0.6	4.5	9,838	19.4	8.4
Net fee income	1,174	1.0	4.5	3,350	22.9	10.9
Gains (losses) on financial transactions [1]	387	1.7	4.9	992	68.4	59.0
Other operating income	(292)	49.8	72.1	(567)	112.2	133.6
Total income	**4,680**	**(1.2)**	**1.8**	**13,613**	**20.6**	**9.1**
Administrative expenses and amortizations	(1,782)	6.8	11.5	(4,935)	26.0	17.3
Net operating income	**2,898**	**(5.6)**	**(3.5)**	**8,677**	**17.7**	**4.9**
Net loan-loss provisions	(1,300)	(2.6)	(2.0)	(3,633)	52.4	34.5
Other gains (losses) and provisions	(107)	(17.6)	(4.0)	(389)	24.5	18.1
Profit before tax	**1,491**	**(7.1)**	**(4.7)**	**4,656**	**(0.5)**	**(11.1)**
Tax on profit	(409)	5.1	8.4	(1,306)	(27.6)	(36.9)
Profit from continuing operations	**1,082**	**(11.0)**	**(8.7)**	**3,350**	**16.5**	**5.7**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**1,082**	**(11.0)**	**(8.7)**	**3,349**	**16.5**	**5.7**
Non-controlling interests	(144)	(15.0)	(13.3)	(466)	12.8	5.9
Underlying profit attributable to the parent	**938**	**(10.3)**	**(8.0)**	**2,884**	**17.1**	**5.6**

Balance sheet	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Loans and advances to customers	150,809	7.1	4.1	150,809	24.5	11.8
Cash, central banks and credit institutions	56,336	10.3	7.6	56,336	19.8	7.2
Debt instruments	59,346	(0.1)	(2.6)	59,346	14.7	0.9
Other financial assets	27,029	12.4	8.1	27,029	65.6	54.1
Other asset accounts	19,670	4.9	2.1	19,670	24.7	10.6
Total assets	**313,190**	**6.5**	**3.5**	**313,190**	**24.3**	**11.2**
Customer deposits	144,173	7.0	4.5	144,173	18.7	6.6
Central banks and credit institutions	47,483	(0.1)	(3.1)	47,483	3.5	(7.7)
Marketable debt securities	34,740	7.0	3.3	34,740	52.3	35.8
Other financial liabilities	49,998	9.9	6.2	49,998	47.6	31.5
Other liabilities accounts	11,947	10.4	7.0	11,947	48.1	32.2
Total liabilities	**288,342**	**6.4**	**3.4**	**288,342**	**24.2**	**11.2**
Total equity	**24,849**	**8.0**	**5.3**	**24,849**	**25.0**	**11.7**
Memorandum items:						
Gross loans and advances to customers [2]	158,670	7.2	4.2	158,670	25.6	12.7
Customer funds	190,756	5.1	2.6	190,756	17.3	5.0
Customer deposits [3]	*129,873*	*4.7*	*2.3*	*129,873*	*16.9*	*5.7*
Mutual funds	*60,883*	*6.1*	*3.2*	*60,883*	*18.2*	*3.6*

Ratios (%), operating means and customers	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Underlying RoTE	18.75	(2.68)		20.04	(0.03)	
Efficiency ratio	38.1	2.9		36.3	1.6	
NPL ratio	5.54	0.16		5.54	1.16	
Total coverage ratio	84.7	(2.2)		84.7	(14.0)	
Number of employees	76,028	0.6		76,028	8.7	
Number of branches	3,754	(0.8)		3,754	(1.0)	
Number of loyal customers (thousands)	11,268	1.1		11,268	11.9	
Number of digital customers (thousands)	25,357	0.3		25,357	7.7	

(1) Includes exchange differences.
(2) Excluding reverse repos.
(3) Excluding repos.

Brazil

EUR million

Underlying income statement	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Net interest income	2,251	(1.2)	(0.4)	6,672	15.5	(1.3)
Net fee income	812	(5.3)	(5.0)	2,412	19.0	1.7
Gains (losses) on financial transactions [1]	215	(12.1)	(13.8)	551	68.2	43.7
Other operating income	—	(98.9)	(93.3)	36	—	—
Total income	**3,278**	**(2.8)**	**(2.3)**	**9,671**	**19.7**	**2.3**
Administrative expenses and amortizations	(1,058)	3.6	4.4	(3,009)	27.2	8.7
Net operating income	**2,220**	**(5.6)**	**(5.2)**	**6,661**	**16.6**	**(0.4)**
Net loan-loss provisions	(1,150)	(1.1)	(1.2)	(3,165)	59.9	36.6
Other gains (losses) and provisions	(23)	(46.9)	(45.1)	(180)	(15.8)	(28.1)
Profit before tax	**1,047**	**(8.7)**	**(8.0)**	**3,316**	**(5.8)**	**(19.5)**
Tax on profit	(308)	(5.9)	(3.8)	(1,059)	(32.2)	(42.1)
Profit from continuing operations	**738**	**(9.8)**	**(9.7)**	**2,257**	**15.2**	**(1.5)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**738**	**(9.8)**	**(9.7)**	**2,257**	**15.2**	**(1.6)**
Non-controlling interests	(76)	(6.2)	(5.8)	(230)	14.5	(2.2)
Underlying profit attributable to the parent	**662**	**(10.2)**	**(10.1)**	**2,027**	**15.3**	**(1.5)**
Balance sheet						
Loans and advances to customers	91,788	7.2	3.5	91,788	29.8	8.9
Cash, central banks and credit institutions	42,464	12.6	8.8	42,464	42.0	19.1
Debt instruments	39,873	(3.3)	(6.6)	39,873	4.8	(12.0)
Other financial assets	7,906	(5.2)	(8.5)	7,906	28.0	7.4
Other asset accounts	14,150	5.7	2.1	14,150	27.7	7.1
Total assets	**196,182**	**5.3**	**1.7**	**196,182**	**25.8**	**5.5**
Customer deposits	94,045	8.6	4.9	94,045	27.5	7.0
Central banks and credit institutions	26,145	(5.5)	(8.7)	26,145	(5.9)	(21.0)
Marketable debt securities	24,211	8.3	4.6	24,211	71.0	43.4
Other financial liabilities	29,301	3.7	0.2	29,301	31.4	10.2
Other liabilities accounts	6,203	2.0	(1.5)	6,203	21.0	1.5
Total liabilities	**179,904**	**5.3**	**1.7**	**179,904**	**25.7**	**5.5**
Total equity	**16,277**	**5.9**	**2.3**	**16,277**	**27.0**	**6.6**
Memorandum items:						
Gross loans and advances to customers [2]	98,009	7.4	3.7	98,009	31.7	10.5
Customer funds	126,439	3.8	0.3	126,439	21.9	2.2
Customer deposits [3]	*79,909*	*4.2*	*0.6*	*79,909*	*26.0*	*5.7*
Mutual funds	*46,530*	*3.1*	*(0.4)*	*46,530*	*15.3*	*(3.2)*
Ratios (%), operating means and customers						
Underlying RoTE	19.10	(2.83)		20.65	(0.94)	
Efficiency ratio	32.3	2.0		31.1	1.8	
NPL ratio	6.63	0.29		6.63	1.91	
Total coverage ratio	89.2	(3.1)		89.2	(22.6)	
Number of employees	53,699	(0.1)		53,699	12.2	
Number of branches	2,903	(1.1)		2,903	(1.3)	
Number of loyal customers (thousands)	8,592	0.7		8,592	14.4	
Number of digital customers (thousands)	19,910	0.3		19,910	9.1	

(1) Includes exchange differences.
(2) Excluding reverse repos.
(3) Excluding repos.

Chile

EUR million

Underlying income statement	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Net interest income	402	(27.5)	(24.6)	1,440	(2.4)	0.9
Net fee income	120	9.1	12.7	341	15.9	19.9
Gains (losses) on financial transactions [1]	64	30.0	34.3	179	62.9	68.4
Other operating income	(9)	34.5	39.2	(26)	(43.3)	(41.4)
Total income	**577**	**(18.4)**	**(15.3)**	**1,934**	**5.5**	**9.1**
Administrative expenses and amortizations	(248)	(2.7)	0.6	(737)	3.9	7.4
Net operating income	**329**	**(27.2)**	**(24.2)**	**1,197**	**6.5**	**10.1**
Net loan-loss provisions	(85)	(22.8)	(19.9)	(290)	9.3	13.0
Other gains (losses) and provisions	—	(99.4)	(98.5)	(17)	766.5	795.8
Profit before tax	**244**	**(24.6)**	**(21.5)**	**889**	**3.9**	**7.4**
Tax on profit	(17)	(45.7)	(41.9)	(103)	(43.9)	(42.0)
Profit from continuing operations	**227**	**(22.3)**	**(19.3)**	**787**	**16.9**	**20.8**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**227**	**(22.3)**	**(19.3)**	**787**	**16.9**	**20.8**
Non-controlling interests	(67)	(24.2)	(21.2)	(235)	11.6	15.4
Underlying profit attributable to the parent	**160**	**(21.5)**	**(18.5)**	**551**	**19.3**	**23.3**
Balance sheet						
Loans and advances to customers	42,193	7.5	3.1	42,193	11.5	11.3
Cash, central banks and credit institutions	7,976	9.1	4.6	7,976	(16.7)	(16.8)
Debt instruments	11,397	5.3	0.9	11,397	17.7	17.5
Other financial assets	18,781	21.6	16.6	18,781	89.7	89.4
Other asset accounts	3,478	2.3	(1.9)	3,478	15.5	15.3
Total assets	**83,825**	**10.0**	**5.5**	**83,825**	**19.7**	**19.5**
Customer deposits	29,493	5.3	1.0	29,493	(6.4)	(6.6)
Central banks and credit institutions	15,327	6.2	1.9	15,327	18.8	18.6
Marketable debt securities	9,842	4.2	(0.1)	9,842	18.3	18.0
Other financial liabilities	19,408	21.4	16.4	19,408	81.7	81.3
Other liabilities accounts	4,706	21.8	16.8	4,706	111.1	110.7
Total liabilities	**78,776**	**9.8**	**5.3**	**78,776**	**20.0**	**19.8**
Total equity	**5,049**	**12.4**	**7.8**	**5,049**	**15.6**	**15.4**
Memorandum items:						
Gross loans and advances to customers [2]	43,413	7.5	3.1	43,413	11.5	11.3
Customer funds	38,416	9.8	5.3	38,416	(4.4)	(4.5)
Customer deposits [3]	*29,381*	*7.7*	*3.2*	*29,381*	*(6.7)*	*(6.8)*
Mutual funds	*9,035*	*17.4*	*12.6*	*9,035*	*4.0*	*3.8*
Ratios (%), operating means and customers						
Underlying RoTE	19.30	(4.64)		21.56	3.12	
Efficiency ratio	43.0	6.9		38.1	(0.6)	
NPL ratio	4.63	(0.07)		4.63	0.27	
Total coverage ratio	60.3	(0.1)		60.3	(3.8)	
Number of employees	9,798	(1.2)		9,798	(7.3)	
Number of branches	301	(1.6)		301	(9.3)	
Number of loyal customers (thousands)	847	3.9		847	5.0	
Number of digital customers (thousands)	1,994	1.6		1,994	3.1	

(1) Includes exchange differences.
(2) Excluding reverse repos.
(3) Excluding repos.

Argentina

EUR million

Underlying income statement	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Net interest income	616	42.5	68.5	1,347	91.4	141.6
Net fee income	182	26.9	52.1	445	63.8	106.8
Gains (losses) on financial transactions [(1)]	79	25.3	50.5	193	78.9	125.9
Other operating income	(284)	57.7	84.6	(573)	260.4	354.9
Total income	**592**	**29.3**	**54.6**	**1,413**	**52.8**	**92.9**
Administrative expenses and amortizations	(333)	27.8	53.1	(809)	46.2	84.6
Net operating income	**259**	**31.3**	**56.6**	**604**	**62.6**	**105.3**
Net loan-loss provisions	(34)	3.7	28.7	(106)	20.0	51.5
Other gains (losses) and provisions	(81)	20.3	44.6	(186)	97.9	149.8
Profit before tax	**144**	**48.2**	**74.5**	**312**	**65.0**	**108.2**
Tax on profit	(56)	402.7	445.5	(78)	671.5	873.9
Profit from continuing operations	**88**	**2.5**	**26.0**	**234**	**30.8**	**65.1**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**88**	**2.5**	**26.0**	**234**	**30.8**	**65.1**
Non-controlling interests	—	(5.4)	19.0	(1)	(50.7)	(37.8)
Underlying profit attributable to the parent	**88**	**2.6**	**26.0**	**234**	**31.4**	**65.8**

Balance sheet	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Loans and advances to customers	6,317	3.6	14.5	6,317	35.8	71.4
Cash, central banks and credit institutions	3,024	(16.3)	(7.6)	3,024	(26.3)	(6.9)
Debt instruments	5,355	18.7	31.2	5,355	123.7	182.4
Other financial assets	60	71.0	88.9	60	(25.0)	(5.3)
Other asset accounts	1,136	6.9	18.1	1,136	31.3	65.8
Total assets	**15,891**	**3.7**	**14.6**	**15,891**	**31.4**	**65.9**
Customer deposits	11,202	(0.7)	9.7	11,202	26.4	59.6
Central banks and credit institutions	995	38.5	53.0	995	18.9	50.1
Marketable debt securities	164	5.3	16.4	164	161.4	229.9
Other financial liabilities	922	(3.6)	6.5	922	21.0	52.8
Other liabilities accounts	495	23.9	36.9	495	39.0	75.4
Total liabilities	**13,779**	**2.0**	**12.7**	**13,779**	**26.7**	**59.9**
Total equity	**2,112**	**16.7**	**28.9**	**2,112**	**74.0**	**119.7**
Memorandum items:						
Gross loans and advances to customers [2]	6,539	3.2	14.0	6,539	32.7	67.5
Customer funds	15,456	4.3	15.2	15,456	37.0	72.9
Customer deposits [3]	*11,202*	*(0.7)*	*9.7*	*11,202*	*26.4*	*59.6*
Mutual funds	*4,253*	*20.1*	*32.6*	*4,253*	*75.4*	*121.4*

Ratios (%), operating means and customers	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Underlying RoTE	23.28	0.15		21.82	(3.20)	
Efficiency ratio	56.2	(0.7)		57.3	(2.6)	
NPL ratio	2.13	(0.34)		2.13	(1.72)	
Total coverage ratio	179.0	7.9		179.0	29.7	
Number of employees	8,452	(0.7)		8,452	(3.0)	
Number of branches	403	(1.0)		403	(1.2)	
Number of loyal customers (thousands)	1,659	1.7		1,659	3.4	
Number of digital customers (thousands)	2,837	(0.5)		2,837	4.6	

(1) Includes exchange differences.
(2) Excluding reverse repos.
(3) Excluding repos.

Other South America

EUR million

Underlying income statement	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Net interest income	142	13.7	10.7	378	31.6	15.1
Net fee income	62	18.0	15.9	152	14.4	2.4
Gains (losses) on financial transactions [1]	28	24.1	23.4	69	58.3	41.7
Other operating income	1	—	—	(5)	(58.7)	(62.6)
Total income	**233**	**17.0**	**14.6**	**594**	**31.4**	**15.9**
Administrative expenses and amortizations	(144)	8.6	7.2	(379)	32.4	21.3
Net operating income	**89**	**33.7**	**29.3**	**215**	**29.7**	**7.3**
Net loan-loss provisions	(30)	7.3	3.2	(71)	41.8	25.2
Other gains (losses) and provisions	(3)	137.7	135.1	(6)	117.7	95.1
Profit before tax	**56**	**49.6**	**45.7**	**138**	**22.3**	**(1.7)**
Tax on profit	(28)	43.8	41.5	(67)	36.0	18.5
Profit from continuing operations	**28**	**55.9**	**50.5**	**71**	**11.7**	**(15.3)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**28**	**55.9**	**50.5**	**71**	**11.7**	**(15.3)**
Non-controlling interests	—	—	—	1	63.2	58.3
Underlying profit attributable to the parent	**28**	**48.2**	**42.5**	**72**	**12.0**	**(15.0)**

Balance sheet	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Loans and advances to customers	10,512	7.5	7.2	10,512	33.2	16.3
Cash, central banks and credit institutions	2,873	17.9	17.2	2,873	(16.1)	(28.8)
Debt instruments	2,721	(3.6)	(4.9)	2,721	68.1	43.5
Other financial assets	281	28.2	28.0	281	68.0	45.2
Other asset accounts	906	1.2	0.9	906	10.8	3.9
Total assets	**17,292**	**7.0**	**6.5**	**17,292**	**24.2**	**7.8**
Customer deposits	9,433	6.8	5.6	9,433	28.7	7.7
Central banks and credit institutions	5,016	6.6	7.4	5,016	14.9	5.5
Marketable debt securities	523	5.2	3.3	523	97.9	62.0
Other financial liabilities	367	22.9	22.9	367	177.3	151.7
Other liabilities accounts	543	15.5	14.3	543	53.2	31.7
Total liabilities	**15,882**	**7.3**	**6.7**	**15,882**	**27.6**	**10.4**
Total equity	**1,411**	**4.7**	**4.0**	**1,411**	**(4.3)**	**(14.2)**
Memorandum items:						
Gross loans and advances to customers [2]	10,710	7.4	7.1	10,710	33.1	16.2
Customer funds	10,446	5.7	4.5	10,446	41.7	18.6
Customer deposits [3]	*9,382*	*6.2*	*5.1*	*9,382*	*28.0*	*7.2*
Mutual funds	*1,065*	*1.5*	*(0.3)*	*1,065*	*—*	*—*
Resources						
Number of employees	4,079	19.6		4,079	45.7	

(1) Includes exchange differences.
(2) Excluding reverse repos.
(3) Excluding repos.

DIGITAL CONSUMER BANK

EUR million

Underlying income statement	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Net interest income	1,000	(1.2)	(1.0)	3,032	0.1	(0.3)
Net fee income	204	(6.7)	(6.6)	629	2.0	2.0
Gains (losses) on financial transactions [1]	5	(72.5)	(72.3)	23	250.4	250.6
Other operating income	106	788.2	774.3	204	41.3	36.9
Total income	**1,315**	**4.3**	**4.4**	**3,887**	**2.4**	**2.0**
Administrative expenses and amortizations	(605)	0.4	0.7	(1,853)	2.7	2.4
Net operating income	**709**	**7.8**	**7.8**	**2,034**	**2.2**	**1.6**
Net loan-loss provisions	(142)	1.9	1.9	(429)	(4.4)	(4.7)
Other gains (losses) and provisions	4	—	—	(24)	(80.0)	(79.8)
Profit before tax	**572**	**12.6**	**12.6**	**1,581**	**11.2**	**10.3**
Tax on profit	(146)	18.9	18.9	(379)	10.1	9.6
Profit from continuing operations	**426**	**10.5**	**10.6**	**1,203**	**11.6**	**10.5**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**426**	**10.5**	**10.6**	**1,203**	**11.6**	**10.5**
Non-controlling interests	(90)	(5.5)	(5.2)	(295)	9.6	9.5
Underlying profit attributable to the parent	**336**	**15.8**	**15.9**	**908**	**12.2**	**10.8**

Balance sheet	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Loans and advances to customers	118,092	1.1	1.8	118,092	5.8	6.8
Cash, central banks and credit institutions	12,978	(10.4)	(9.8)	12,978	(29.2)	(28.6)
Debt instruments	7,683	(1.9)	(1.5)	7,683	50.1	52.1
Other financial assets	198	47.5	48.1	198	332.3	336.6
Other asset accounts	7,962	4.4	4.9	7,962	18.8	19.5
Total assets	**146,913**	**—**	**0.7**	**146,913**	**3.6**	**4.6**
Customer deposits	57,306	(0.4)	0.1	57,306	5.4	6.3
Central banks and credit institutions	40,380	2.6	3.5	40,380	14.3	15.5
Marketable debt securities	30,245	(2.6)	(2.1)	30,245	(11.7)	(11.0)
Other financial liabilities	1,629	(3.5)	(3.0)	1,629	12.6	13.5
Other liabilities accounts	4,755	2.7	3.1	4,755	9.7	10.4
Total liabilities	**134,316**	**—**	**0.6**	**134,316**	**3.5**	**4.5**
Total equity	**12,597**	**0.1**	**1.1**	**12,597**	**4.1**	**5.6**

Memorandum items:	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Gross loans and advances to customers [2]	120,598	1.0	1.7	120,598	5.4	6.5
Customer funds	59,527	(0.4)	0.1	59,527	5.1	6.1
Customer deposits [3]	*57,306*	*(0.4)*	*0.1*	*57,306*	*5.4*	*6.3*
Mutual funds	*2,221*	*0.5*	*0.5*	*2,221*	*(0.5)*	*(0.5)*

Ratios (%), operating means and customers	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Underlying RoTE	14.12	2.73		12.71	1.16	
Efficiency ratio	46.0	(1.8)		47.7	0.1	
NPL ratio	2.20	(0.03)		2.20	0.05	
Total coverage ratio	95.6	(1.8)		95.6	(17.2)	
Number of employees	16,066	1.1		16,066	0.9	
Number of branches	365	(1.4)		365	18.5	
Number of total customers (thousands)	19,487	0.5		19,487	1.9	

(1) Includes exchange differences.
(2) Excluding reverse repos.
(3) Excluding repos.

CORPORATE CENTRE

EUR million

Underlying income statement	Q3'22	Q2'22	%	9M'22	9M'21	%
Net interest income	(157)	(181)	(13.0)	(510)	(459)	11.2
Net fee income	(2)	2	—	(3)	(15)	(82.2)
Gains (losses) on financial transactions [1]	(252)	(253)	(0.1)	(624)	(145)	330.5
Other operating income	(7)	(15)	(52.7)	(29)	(23)	24.9
Total income	**(418)**	**(446)**	**(6.2)**	**(1,165)**	**(642)**	**81.5**
Administrative expenses and amortizations	(93)	(92)	0.5	(272)	(249)	9.2
Net operating income	**(511)**	**(538)**	**(5.0)**	**(1,437)**	**(891)**	**61.3**
Net loan-loss provisions	2	(4)	—	(4)	(168)	(97.8)
Other gains (losses) and provisions	(35)	(34)	1.1	(117)	(108)	8.0
Profit before tax	**(544)**	**(577)**	**(5.7)**	**(1,558)**	**(1,168)**	**33.4**
Tax on profit	1	(1)	—	(25)	(63)	(59.9)
Profit from continuing operations	**(543)**	**(577)**	**(5.9)**	**(1,583)**	**(1,231)**	**28.6**
Net profit from discontinued operations	—	—	—	—	—	(100.0)
Consolidated profit	**(543)**	**(577)**	**(5.9)**	**(1,583)**	**(1,231)**	**28.6**
Non-controlling interests	—	—	(30.3)	—	(1)	(97.6)
Underlying profit attributable to the parent	**(543)**	**(577)**	**(5.9)**	**(1,583)**	**(1,232)**	**28.5**

Balance sheet						
Loans and advances to customers	6,104	7,087	(13.9)	6,104	6,350	(3.9)
Cash, central banks and credit institutions	141,112	108,644	29.9	141,112	81,150	73.9
Debt instruments	8,194	6,928	18.3	8,194	1,423	475.6
Other financial assets	1	522	(99.8)	1	2,157	(100.0)
Other asset accounts	129,286	129,429	(0.1)	129,286	116,606	10.9
Total assets	**284,696**	**252,610**	**12.7**	**284,696**	**207,687**	**37.1**
Customer deposits	538	928	(42.0)	538	1,324	(59.3)
Central banks and credit institutions	83,271	69,730	19.4	83,271	45,798	81.8
Marketable debt securities	100,982	84,309	19.8	100,982	71,720	40.8
Other financial liabilities	1,491	287	419.8	1,491	1,495	(0.3)
Other liabilities accounts	10,483	9,063	15.7	10,483	7,197	45.7
Total liabilities	**196,766**	**164,317**	**19.7**	**196,766**	**127,534**	**54.3**
Total equity	**87,931**	**88,292**	**(0.4)**	**87,931**	**80,154**	**9.7**

Memorandum items:						
Gross loans and advances to customers [2]	6,107	7,172	(14.9)	6,107	6,589	(7.3)
Customer funds	538	928	(42.0)	538	1,324	(59.3)
Customer deposits [3]	*538*	*928*	*(42.0)*	*538*	*1,324*	*(59.3)*
Mutual funds	—	—	—	—	—	*(100.0)*

Resources						
Number of employees	1,857	1,811	2.5	1,857	1,710	8.6

(1) Includes exchange differences.
(2) Excluding reverse repos.
(3) Excluding repos.

RETAIL BANKING

EUR million

Underlying income statement	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Net interest income	9,053	5.0	5.2	25,767	13.9	6.7
Net fee income	1,967	(0.4)	0.5	5,759	9.8	3.8
Gains (losses) on financial transactions [1]	16	(89.5)	(90.5)	222	(61.7)	(63.9)
Other operating income	(37)	(82.2)	(68.9)	(113)	—	—
Total income	**10,999**	**4.4**	**4.3**	**31,634**	**9.2**	**2.3**
Administrative expenses and amortizations	(4,775)	3.2	3.5	(13,800)	8.9	3.7
Net operating income	**6,224**	**5.2**	**4.9**	**17,834**	**9.5**	**1.2**
Net loan-loss provisions	(2,733)	4.3	3.7	(7,465)	31.0	21.6
Other gains (losses) and provisions	(673)	47.7	53.4	(1,554)	20.2	18.1
Profit before tax	**2,818**	**(0.7)**	**(1.6)**	**8,815**	**(5.1)**	**(13.3)**
Tax on profit	(732)	12.6	12.8	(2,231)	(23.0)	(30.5)
Profit from continuing operations	**2,086**	**(4.7)**	**(5.8)**	**6,584**	**2.9**	**(5.4)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**2,086**	**(4.7)**	**(5.8)**	**6,584**	**2.9**	**(5.4)**
Non-controlling interests	(186)	(25.9)	(25.0)	(693)	(30.5)	(34.9)
Underlying profit attributable to the parent	**1,899**	**(1.9)**	**(3.3)**	**5,891**	**9.1**	**(0.1)**

(1) Includes exchange differences.

CORPORATE & INVESTMENT BANKING

EUR million

Underlying income statement	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Net interest income	924	(0.4)	0.6	2,637	23.5	17.9
Net fee income	491	(3.0)	(2.8)	1,517	14.8	9.3
Gains (losses) on financial transactions [1]	583	35.9	40.1	1,434	101.9	94.6
Other operating income	(12)	(9.2)	91.1	9	(91.2)	(91.3)
Total income	**1,985**	**7.3**	**8.2**	**5,597**	**31.1**	**25.4**
Administrative expenses and amortizations	(747)	10.9	10.5	(2,035)	19.7	14.5
Net operating income	**1,238**	**5.3**	**7.0**	**3,562**	**38.7**	**32.7**
Net loan-loss provisions	(8)	—	—	14	—	—
Other gains (losses) and provisions	(22)	(39.8)	(40.6)	(77)	656.6	—
Profit before tax	**1,208**	**5.1**	**6.8**	**3,499**	**41.2**	**34.7**
Tax on profit	(323)	(0.5)	(0.2)	(977)	42.5	33.0
Profit from continuing operations	**885**	**7.3**	**9.5**	**2,522**	**40.7**	**35.4**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**885**	**7.3**	**9.5**	**2,522**	**40.7**	**35.4**
Non-controlling interests	(52)	(0.4)	1.2	(159)	41.2	31.1
Underlying profit attributable to the parent	**833**	**7.9**	**10.1**	**2,364**	**40.7**	**35.7**

(1) Includes exchange differences.

WEALTH MANAGEMENT & INSURANCE

EUR million

Underlying income statement	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Net interest income	225	22.4	22.3	554	58.5	52.2
Net fee income	327	(2.0)	(2.7)	982	7.8	2.9
Gains (losses) on financial transactions [1]	30	4.4	4.2	88	15.5	11.5
Other operating income	103	15.6	13.2	282	(24.2)	(26.0)
Total income	**685**	**7.8**	**7.1**	**1,907**	**11.6**	**7.2**
Administrative expenses and amortizations	(263)	4.4	3.0	(758)	12.1	6.3
Net operating income	**422**	**10.1**	**9.7**	**1,149**	**11.2**	**7.8**
Net loan-loss provisions	(5)	(44.9)	(46.4)	(13)	(34.1)	(34.5)
Other gains (losses) and provisions	(4)	(53.8)	(53.5)	(17)	—	—
Profit before tax	**414**	**12.8**	**12.5**	**1,118**	**9.4**	**6.0**
Tax on profit	(95)	17.6	17.8	(254)	1.2	(1.5)
Profit from continuing operations	**319**	**11.5**	**11.0**	**864**	**12.1**	**8.4**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**319**	**11.5**	**11.0**	**864**	**12.1**	**8.4**
Non-controlling interests	(16)	4.5	6.4	(47)	45.1	39.6
Underlying profit attributable to the parent	**302**	**11.9**	**11.3**	**818**	**10.7**	**7.1**

(1) Includes exchange differences.

PAGONXT

EUR million

Underlying income statement	Q3'22	/ Q2'22 %	/ Q2'22 % excl. FX	9M'22	/ 9M'21 %	/ 9M'21 % excl. FX
Net interest income	6	110.9	109.9	11	—	—
Net fee income	232	4.4	4.0	611	75.1	57.2
Gains (losses) on financial transactions [1]	(4)	76.3	79.4	(5)	390.1	348.3
Other operating income	23	79.6	80.8	38	—	—
Total income	**257**	**9.2**	**8.9**	**655**	**96.4**	**75.3**
Administrative expenses and amortizations	(282)	9.4	9.5	(729)	52.3	44.9
Net operating income	**(24)**	**12.1**	**16.0**	**(74)**	**(49.1)**	**(43.0)**
Net loan-loss provisions	(13)	49.8	50.2	(24)	245.9	194.9
Other gains (losses) and provisions	(12)	365.9	366.4	(16)	(59.4)	(60.2)
Profit before tax	**(50)**	**50.5**	**51.3**	**(114)**	**(40.4)**	**(35.9)**
Tax on profit	(15)	(2.7)	(2.9)	(51)	235.3	139.1
Profit from continuing operations	**(64)**	**33.8**	**35.6**	**(165)**	**(20.2)**	**(17.2)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**(64)**	**33.8**	**35.6**	**(165)**	**(20.2)**	**(17.2)**
Non-controlling interests	(5)	162.0	161.8	(8)	—	—
Underlying profit attributable to the parent	**(69)**	**38.4**	**40.0**	**(173)**	**(16.2)**	**(13.1)**

(1) Includes exchange differences.

ALTERNATIVE PERFORMANCE MEASURES (APMs)

In addition to the financial information prepared under IFRS, this consolidated directors' report contains financial measures that constitute alternative performance measures ('APMs') to comply with the guidelines on alternative performance measures issued by the European Securities and Markets Authority on 5 October 2015 and non-IFRS measures.

The financial measures contained in this consolidated directors' report that qualify as APMs and non-IFRS measures have been calculated using the financial information from Santander but are not defined or detailed in the applicable financial information framework or under IFRS and have neither been audited nor reviewed by our auditors.

We use these APMs and non-IFRS measures when planning, monitoring and evaluating our performance. We consider these APMs and non-IFRS financial measures to be useful metrics for management and investors to facilitate operating performance comparisons from period to period. While we believe that these APMs and non-IFRS financial measures are useful in evaluating our business, this information should be considered as supplemental in nature and is not meant as a substitute of IFRS measures. In addition, the way in which Santander defines and calculates these APMs and non-IFRS measures may differ from the calculations by other companies with similar measures and, therefore, may not be comparable.

The APMs and non-IFRS measures we use in this document can be categorized as follows:

Underlying results

In addition to IFRS results measures, we present some results measures which are non-IFRS measures and which we refer to as underlying measures. These underlying measures allow in our view a better year-on-year comparability as they exclude items outside the ordinary performance of our business which are grouped in the non-IFRS line net capital gains and provisions and are further detailed on page 12 of this report.

In addition, in the section "Financial information by segments", relative to the primary and secondary segments, results are presented on an underlying basis in accordance with IFRS 8, and reconciled on an aggregate basis to our IFRS consolidated results to the consolidated financial statements, which are set out below.

Reconciliation of underlying results to statutory results

EUR million

	January-September 2022		
	Underlying results	Adjustments	Statutory results
Net interest income	28,460	—	28,460
Net fee income	8,867	—	8,867
Gains (losses) on financial transactions [1]	1,115	—	1,115
Other operating income	187	(35)	152
Total income	**38,629**	**(35)**	**38,594**
Administrative expenses and amortizations	(17,595)	—	(17,595)
Net operating income	**21,034**	**(35)**	**20,999**
Net loan-loss provisions	(7,491)	(287)	(7,778)
Other gains (losses) and provisions	(1,782)	322	(1,460)
Profit before tax	**11,761**	**—**	**11,761**
Tax on profit	(3,538)	—	(3,538)
Profit from continuing operations	**8,223**	**—**	**8,223**
Net profit from discontinued operations	—	—	—
Consolidated profit	**8,223**	**—**	**8,223**
Non-controlling interests	(907)	—	(907)
Profit attributable to the parent	**7,316**	**—**	**7,316**

(1) Includes exchange differences.

Explanation of adjustments:

Mainly, payment holidays in Poland.

Reconciliation of underlying results to statutory results

EUR million

	January-September 2021		
	Underlying results	Adjustments	Statutory results
Net interest income	24,654	—	24,654
Net fee income	7,810	—	7,810
Gains (losses) on financial transactions [1]	1,220	—	1,220
Other operating income	942	—	942
Total income	**34,626**	**—**	**34,626**
Administrative expenses and amortizations	(15,778)	—	(15,778)
Net operating income	**18,848**	**—**	**18,848**
Net loan-loss provisions	(5,973)	—	(5,973)
Other gains (losses) and provisions	(1,443)	(716)	(2,159)
Profit before tax	**11,432**	**(716)**	**10,716**
Tax on profit	(3,911)	186	(3,725)
Profit from continuing operations	**7,521**	**(530)**	**6,991**
Net profit from discontinued operations	—	—	—
Consolidated profit	**7,521**	**(530)**	**6,991**
Non-controlling interests	(1,142)	—	(1,142)
Profit attributable to the parent	**6,379**	**(530)**	**5,849**

(1) Includes exchange differences.

Explanation of adjustments:

Restructuring costs for a net impact of -EUR 530 million, mainly in the UK and Portugal.

Profitability and efficiency ratios

The purpose of the profitability and efficiency ratios is to measure the ratio of profit to capital, to tangible capital, to assets and to risk-weighted assets, while the efficiency ratio measures how much general administrative expenses (personnel and other) and amortization costs are needed to generate revenue.

Additionally, the goodwill adjustments have been removed from the RoTE numerator as, since they are not considered in the denominator, we believe this calculation is more correct.

Ratio	Formula	Relevance of the metric
RoE (Return on equity)	Profit attributable to the parent / Average stockholders' equity [1] (excl. minority interests)	This ratio measures the return that shareholders obtain on the funds invested in the bank and as such measures the company's ability to pay shareholders.
Underlying RoE	Underlying profit attributable to the parent / Average stockholders' equity [1] (excl. minority interests)	This ratio measures the return that shareholders obtain on the funds invested in the bank excluding items outside the ordinary performance of our business.
RoTE (Return on tangible equity)	Profit attributable to the parent [2] / Average stockholders' equity [1] (excl. minority interests) - intangible assets	This indicator is used to evaluate the profitability of the company as a percentage of its tangible equity. It's measured as the return that shareholders receive as a percentage of the funds invested in the entity less intangible assets.
Underlying RoTE	Underlying profit attributable to the parent / Average stockholders' equity [1] (excl. minority interests) - intangible assets	This indicator measures the profitability of the tangible equity of a company arising from ordinary activities, i.e. excluding items outside the ordinary performance of our business.
RoA (Return on assets)	Consolidated profit / Average total assets	This metric measures the profitability of a company as a percentage of its total assets. It is an indicator that reflects the efficiency of the company's total funds in generating profit.
Underlying RoA	Underlying consolidated profit / Average total assets	This metric measures the profitability of a company as a percentage of its total assets, excluding non-recurring results. It is an indicator that reflects the efficiency of the company's total funds in generating underlying profit.
RoRWA (Return on risk weighted assets)	Consolidated profit / Average risk-weighted assets	The return adjusted for risk is a derivative of the RoA metric. The difference is that RoRWA measures profit in relation to the bank's risk-weighted assets.
Underlying RoRWA	Underlying consolidated profit / Average risk-weighted assets	This relates the consolidated profit (excluding items outside the ordinary performance of our business) to the bank's risk-weighted assets.
Efficiency ratio	Operating expenses [3] / Total income	One of the most commonly used indicators when comparing productivity of different financial entities. It measures the amount of funds used to generate the bank's total income.

(1) Stockholders' equity = Capital and Reserves + Accumulated other comprehensive income + Profit attributable to the parent + Dividends.
(2) Excluding the adjustment to the valuation of goodwill.
(3) Operating expenses = Administrative expenses + amortizations.

Profitability and efficiency [1] [2] [3] [4]	Q3'22	Q2'22	9M'22	9M'21
RoE	**10.64%**	**10.44%**	**10.86%**	**9.54%**
Profit attributable to the parent	9,688	9,404	9,755	7,975
Average stockholders' equity (excluding minority interests)	91,044	90,035	89,854	83,574
Underlying RoE	**10.64%**	**10.44%**	**10.86%**	**10.18%**
Profit attributable to the parent	9,688	9,404	9,755	7,975
(-) Net capital gains and provisions	—	—	—	-530
Underlying profit attributable to the parent	9,688	9,404	9,755	8,505
Average stockholders' equity (excluding minority interests)	91,044	90,035	89,854	83,574
RoTE	**13.38%**	**13.10%**	**13.57%**	**11.82%**
Profit attributable to the parent	9,688	9,404	9,755	7,975
(+) Goodwill impairment	—	—	—	—
Profit attributable to the parent (excluding goodwill impairment)	9,688	9,404	9,755	7,975
Average stockholders' equity (excluding minority interests)	91,044	90,035	89,854	83,574
(-) Average intangible assets	18,654	18,255	17,967	16,109
Average stockholders' equity (excl. minority interests) - intangible assets	72,390	71,780	71,887	67,466
Underlying RoTE	**13.38%**	**13.10%**	**13.57%**	**12.61%**
Profit attributable to the parent	9,688	9,404	9,755	7,975
(-) Net capital gains and provisions	—	—	—	-530
Underlying profit attributableto the parent	9,688	9,404	9,755	8,505
Average stockholders' equity (excl. minority interests) - intangible assets	72,390	71,780	71,887	67,466
RoA	**0.61%**	**0.63%**	**0.64%**	**0.61%**
Consolidated profit	10,728	10,688	10,964	9,498
Average total assets	1,769,904	1,707,903	1,702,210	1,550,943
Underlying RoA	**0.61%**	**0.63%**	**0.64%**	**0.65%**
Consolidated profit	10,728	10,688	10,964	9,498
(-) Net capital gains and provisions	—	—	—	-530
Underlying consolidated profit	10,728	10,688	10,964	10,028
Average total assets	1,769,904	1,707,903	1,702,210	1,550,943
RoRWA	**1.75%**	**1.76%**	**1.82%**	**1.66%**
Consolidated profit	10,728	10,688	10,964	9,498
Average risk-weighted assets	614,670	606,154	603,483	570,653
Underlying RoRWA	**1.75%**	**1.76%**	**1.82%**	**1.76%**
Consolidated profit	10,728	10,688	10,964	9,498
(-) Net capital gains and provisions	—	—	—	-530
Underlying consolidated profit	10,728	10,688	10,964	10,028
Average risk-weighted assets	614,670	606,154	603,483	570,653
Efficiency ratio	**45.6%**	**46.0%**	**45.5%**	**45.6%**
Underlying operating expenses	6,160	5,900	17,595	15,778
Operating expenses	6,160	5,900	17,595	15,778
Net capital gains and provisions impact on operating expenses	—	—	—	—
Underlying total income	13,509	12,815	38,629	34,626
Total income	13,474	12,815	38,594	34,626
Net capital gains and provisions impact on total income	35	—	35	—

(1) Averages included in the RoE, RoTE, RoA and RoRWA denominators are calculated using 4 months' worth of data in the case of quarterly figures (from June to September in Q3 and March to June in Q2) and 10 months in the case of year-to-date (December to September).

(2) For periods less than one year, and if there are results in the net capital gains and provisions line, the profit used to calculate RoE and RoTE is the annualized underlying attributable profit to which said results are added without annualizing.

(3) For periods less than one year, and if there are results in the net capital gains and provisions line, the profit used to calculate RoA and RoRWA is the annualized underlying consolidated profit, to which said results are added without annualizing.

(4) The risk weighted assets included in the denominator of the RoRWA metric are calculated in line with the criteria laid out in the CRR (Capital Requirements Regulation).

Efficiency ratio

	9M'22			9M'21		
	%	Total income	Operating expenses	%	Total income	Operating expenses
Europe	**47.4**	**13,273**	**6,296**	**51.5**	**12,018**	**6,192**
Spain	48.5	6,058	2,941	51.0	5,909	3,011
United Kingdom	49.8	4,031	2,008	54.0	3,589	1,937
Portugal	40.3	933	376	42.1	1,020	429
Poland	28.6	1,780	510	41.8	1,157	483
North America	**47.0**	**9,021**	**4,239**	**44.3**	**8,166**	**3,617**
US	46.5	5,667	2,635	42.6	5,506	2,346
Mexico	44.3	3,312	1,467	44.5	2,643	1,177
South America	**36.3**	**13,613**	**4,935**	**34.7**	**11,290**	**3,916**
Brazil	31.1	9,671	3,009	29.3	8,079	2,366
Chile	38.1	1,934	737	38.7	1,833	710
Argentina	57.3	1,413	809	59.8	925	554
Digital Consumer Bank	**47.7**	**3,887**	**1,853**	**47.6**	**3,795**	**1,805**

Underlying RoTE

	9M'22			9M'21		
	%	Underlying profit attributable to the parent	Average stockholders' equity (excl. minority interests) - intangible assets	%	Underlying profit attributable to the parent	Average stockholders' equity (excl. minority interests) - intangible assets
Europe	**9.15**	**3,783**	**41,351**	**7.08**	**2,828**	**39,955**
Spain	7.46	1,472	19,731	4.04	738	18,258
United Kingdom	11.31	1,517	13,414	11.29	1,493	13,223
Portugal	13.20	481	3,642	10.71	431	4,027
Poland	10.12	306	3,018	4.48	146	3,255
North America	**11.54**	**3,028**	**26,237**	**13.00**	**2,958**	**22,748**
US	10.31	1,986	19,259	13.88	2,310	16,636
Mexico	16.59	1,165	7,022	13.27	784	5,910
South America	**20.04**	**3,845**	**19,191**	**20.07**	**3,283**	**16,356**
Brazil	20.65	2,703	13,085	21.59	2,344	10,853
Chile	21.56	735	3,410	18.44	616	3,343
Argentina	21.82	311	1,428	25.01	237	948
Digital Consumer Bank	**12.71**	**1,210**	**9,522**	**11.55**	**1,078**	**9,336**

Credit risk indicators

The credit risk indicators measure the quality of the credit portfolio and the percentage of non-performing loans covered by provisions.

Ratio	Formula	Relevance of the metric
NPL ratio (Non-performing loans)	Credit impaired loans and advances to customers, customer guarantees and customer commitments granted ――――――――――― Total Risk [1]	The NPL ratio is an important variable regarding financial institutions' activity since it gives an indication of the level of risk the entities are exposed to. It calculates risks that are, in accounting terms, declared to be credit impaired as a percentage of the total outstanding amount of customer credit and contingent liabilities.
Total coverage ratio	Total allowances to cover impairment losses on loans and advances to customers, customer guarantees and customer commitments granted ――――――――――― Credit impaired loans and advances to customers, customer guarantees and customer commitments granted	The total coverage ratio is a fundamental metric in the financial sector. It reflects the level of provisions as a percentage of the credit impaired assets. Therefore it is a good indicator of the entity's solvency against client defaults both present and future.
Cost of risk	Allowances for loan-loss provisions over the last 12 months ――――――――――― Average loans and advances to customers over the last 12 months	This ratio quantifies loan-loss provisions arising from credit risk over a defined period of time for a given loan portfolio. As such, it acts as an indicator of credit quality.

(1) Total risk = Total loans and advances and guarantees to customers (including credit impaired assets) + contingent liabilities granted that are credit impaired.

Credit risk (I)	Sep-22	Jun-22	Sep-22	Sep-21
NPL ratio	**3.08%**	**3.05%**	**3.08%**	**3.18%**
Credit impaired loans and advances to customers, customer guarantees and customer commitments granted	35,600	34,259	35,600	33,046
Gross loans and advances to customers registered under the headings "financial assets measured at amortized cost" and "financial assets designated at fair value through profit or loss" classified in stage 3 (OCI), excluding POCI (Purchased or Originated Credit Impaired) that is currently impaired	*33,468*	*32,100*	*33,468*	*31,237*
POCI exposure (Purchased or Originated Credit Impaired) that is currently impaired	*258*	*303*	*258*	*392*
Customer guarantees and customer commitments granted classified in stage 3	*1,865*	*1,846*	*1,865*	*1,409*
Doubtful exposure of loans and advances to customers at fair value through profit or loss	*9*	*10*	*9*	*8*
Total risk	1,156,548	1,121,726	1,156,548	1,038,796
Impaired and non-impaired gross loans and advances to customers	*1,091,551*	*1,061,172*	*1,091,551*	*982,097*
Impaired and non-impaired customer guarantees and customer commitments granted	*64,997*	*60,554*	*64,997*	*56,699*

Credit risk (II)

Credit risk (II)	Sep-22	Jun-22	Sep-22	Sep-21
Total coverage ratio	**70%**	**71%**	**70%**	**74%**
Total allowances to cover impairment losses on loans and advances to customers, customer guarantees and customer commitments granted	24,813	24,195	24,813	24,462
Total allowances to cover impairment losses on loans and advances to customers measured at amortized cost and designated at fair value through OCI	*24,084*	*23,452*	*24,084*	*23,786*
Total allowances to cover impairment losses on customer guarantees and customer commitments granted	*729*	*743*	*729*	*676*
Credit impaired loans and advances to customers, customer guarantees and customer commitments granted	35,600	34,259	35,600	33,046
Gross loans and advances to customers registered under the headings "financial assets measured at amortized cost" and "financial assets designated at fair value through profit or loss" classified in stage 3 (OCI), excluding POCI (Purchased or Originated Credit Impaired) that is currently impaired	*33,468*	*32,100*	*33,468*	*31,237*
POCI exposure (Purchased or Originated Credit Impaired) that is currently impaired	*258*	*303*	*258*	*392*
Customer guarantees and customer commitments granted classified in stage 3	*1,865*	*1,846*	*1,865*	*1,409*
Doubtful exposure of loans and advances to customers at fair value through profit or loss	*9*	*10*	*9*	*8*

Cost of risk	**0.86%**	**0.83%**	**0.86%**	**0.90%**
Underlying allowances for loan-loss provisions over the last 12 months	8,954	8,417	8,954	8,584
Allowances for loan-loss provisions over the last 12 months	9,241	8,417	9,241	8,584
Net capital gains and provisions impact in allowances for loan-loss provisions	-287	—	-287	—
Average loans and advances to customers over the last 12 months	1,037,288	1,010,282	1,037,288	956,925

NPL ratio

	9M'22			9M'21		
	%	Credit impaired loans and advances to customers, customer guarantees and customer commitments granted	Total risk	%	Credit impaired loans and advances to customers, customer guarantees and customer commitments granted	Total risk
Europe	**2.58**	**16,918**	**656,979**	**3.15**	**20,088**	**638,207**
Spain	3.69	11,251	305,299	4.86	13,877	285,505
United Kingdom	1.16	3,000	258,402	1.27	3,354	263,747
Portugal	3.03	1,281	42,267	3.44	1,437	41,833
Poland	3.63	1,190	32,795	4.34	1,415	32,586
North America	**2.79**	**5,541**	**198,786**	**2.56**	**3,588**	**140,314**
US	2.92	4,416	150,986	2.36	2,474	104,794
Mexico	2.34	1,118	47,738	3.14	1,114	35,520
South America	**5.54**	**9,627**	**173,642**	**4.38**	**6,095**	**139,167**
Brazil	6.63	7,168	108,078	4.72	3,947	83,610
Chile	4.63	2,147	46,367	4.36	1,801	41,278
Argentina	2.13	141	6,607	3.85	191	4,951
Digital Consumer Bank	**2.20**	**2,659**	**121,028**	**2.15**	**2,469**	**114,781**

Total coverage ratio

	9M'22			9M'21		
	%	Total allowances to cover impairment losses on loans and advances to customers, customer guarantees and customer commitments granted	Credit impaired loans and advances to customers, customer guarantees and customer commitments granted	%	Total allowances to cover impairment losses on loans and advances to customers, customer guarantees and customer commitments granted	Credit impaired loans and advances to customers, customer guarantees and customer commitments granted
Europe	**49.7**	**8,409**	**16,918**	**51.1**	**10,258**	**20,088**
Spain	49.3	5,549	11,251	49.6	6,878	13,877
United Kingdom	32.4	973	3,000	36.6	1,226	3,354
Portugal	76.3	977	1,281	75.5	1,086	1,437
Poland	74.8	890	1,190	74.6	1,055	1,415
North America	**102.7**	**5,691**	**5,541**	**139.3**	**4,999**	**3,588**
US	102.8	4,537	4,416	161.5	3,994	2,474
Mexico	102.7	1,149	1,118	90.1	1,004	1,114
South America	**84.7**	**8,154**	**9,627**	**98.8**	**6,019**	**6,095**
Brazil	89.2	6,395	7,168	111.8	4,412	3,947
Chile	60.3	1,295	2,147	64.1	1,155	1,801
Argentina	179.0	252	141	149.3	285	191
Digital Consumer Bank	**95.6**	**2,543**	**2,659**	**112.8**	**2,785**	**2,469**

Cost of risk

	9M'22			9M'21		
	%	Underlying allowances for loan-loss provisions over the last 12 months	Average loans and advances to customers over the last 12 months	%	Underlying allowances for loan-loss provisions over the last 12 months	Average loans and advances to customers over the last 12 months
Europe	**0.36**	**2,176**	**609,518**	**0.48**	**2,805**	**585,485**
Spain	0.71	1,861	263,016	0.97	2,405	248,300
United Kingdom	0.02	56	274,222	0.01	30	216,521
Portugal	-0.12	-48	40,279	0.35	136	39,473
Poland	1.07	329	30,605	0.82	241	29,586
North America	**1.12**	**1,780**	**158,691**	**1.46**	**1,868**	**128,061**
US	0.87	1,076	123,021	1.06	1,011	95,385
Mexico	1.86	702	37,782	2.69	856	31,829
South America	**3.11**	**4,500**	**144,807**	**2.52**	**3,086**	**122,237**
Brazil	4.46	3,900	87,517	3.60	2,519	70,034
Chile	0.87	366	41,884	0.89	360	40,279
Argentina	2.88	158	5,497	3.51	137	3,897
Digital Consumer Bank	**0.43**	**507**	**117,554**	**0.57**	**653**	**115,012**

Other indicators

The market capitalization indicator provides information on the volume of tangible equity per share. The loan-to-deposit ratio (LTD) identifies the relationship between net customer loans and advances and customer deposits, assessing the proportion of loans and advances granted by the Group that are funded by customer deposits.

The Group also uses gross customer loan magnitudes excluding reverse repurchase agreements (repos) and customer deposits excluding repos. In order to analyse the evolution of the traditional commercial banking business of granting loans and capturing deposits, repos and reverse repos are excluded, as they are mainly treasury business products and highly volatile.

Ratio	Formula	Relevance of the metric
TNAV per share (Tangible equity net asset value per share)	Tangible book value [1] ――― Number of shares excluding treasury stock	This is a very commonly used ratio used to measure the company's accounting value per share having deducted the intangible assets. It is useful in evaluating the amount each shareholder would receive if the company were to enter into liquidation and had to sell all the company's tangible assets.
Price / tangible book value per share (X)	Share price ――― TNAV per share	This is one of the most commonly used ratios by market participants for the valuation of listed companies both in absolute terms and relative to other entities. This ratio measures the relationship between the price paid for a company and its accounting equity value.
LTD ratio (Loan-to-deposit)	Net loans and advances to customers ――― Customer deposits	This is an indicator of the bank's liquidity. It measures the total (net) loans and advances to customers as a percentage of customer deposits.
Loans and advances (excl. reverse repos)	Gross loans and advances to customers excluding reverse repos	In order to aid analysis of the commercial banking activity, reverse repos are excluded as they are highly volatile treasury products.
Deposits (excl. repos)	Customer deposits excluding repos	In order to aid analysis of the commercial banking activity, repos are excluded as they are highly volatile treasury products.
PAT + After tax fees paid to SAN (in Wealth Management & Insurance)	Net profit + fees paid from Santander Asset Management and Santander Insurance to Santander, net of taxes, excluding Private Banking customers	Metric to assess Wealth Management & Insurance's total contribution to Grupo Santander profit.

(1) Tangible book value = Stockholders' equity (excl. minority interests) - intangible assets.

Others	Sep-22	Jun-22	Sep-22	Sep-21
TNAV (tangible book value) per share	**4.31**	**4.24**	**4.31**	**3.99**
Tangible book value	72,235	71,162	72,235	69,142
Number of shares excl. treasury stock (million)	16,773	16,791	16,773	17,331
Price / Tangible book value per share (X)	**0.56**	**0.63**	**0.56**	**0.79**
Share price (euros)	2.398	2.688	2.398	3.137
TNAV (tangible book value) per share	4.31	4.24	4.31	3.99
Loan-to-deposit ratio	**106%**	**107%**	**106%**	**105%**
Net loans and advances to customers	1,067,466	1,037,721	1,067,466	958,311
Customer deposits	1,008,800	973,787	1,008,800	909,034

	Q3'22	Q2'22	9M'22	9M'21
PAT + After tax fees paid to SAN (in WM&I) (Constant EUR million)	**713**	**667**	**1,997**	**1,880**
Profit after tax	315	284	864	797
Net fee income net of tax	397	383	1,132	1,082

Local currency measures

We make use of certain financial measures in local currency to help in the assessment of our ongoing operating performance. These non-IFRS financial measures include the results of operations of our subsidiary banks located outside the Eurozone, excluding the impact of foreign exchange. Because changes in foreign currency exchange rates do not have an operating impact on the results, we believe that evaluating their performance on a local currency basis provides an additional and meaningful assessment of performance to both management and the company's investors.

The Group presents, at both the Group level as well as the business unit level, the **real changes in the income statement as well as the changes excluding the exchange rate effect**, as it considers the latter facilitates analysis, since it enables businesses movements to be identified without taking into account the impact of converting each local currency into euros.

Said variations, excluding the impact of exchange rate movements, are calculated by converting P&L lines for the different business units comprising the Group into our presentation currency, the euro, applying the average exchange rate for the first nine months of 2022 to all periods contemplated in the analysis.

The Group presents, at both the Group level as well as the business unit level, the **changes in euros in the balance sheet as well as the changes excluding the exchange rate effect** for loans and advances to customers excluding reverse repos and customer funds (which comprise deposits and mutual funds) excluding repos. As with the income statement, the reason is to facilitate analysis by isolating the changes in the balance sheet that are not caused by converting each local currency into euros.

These changes excluding the impact of exchange rate movements are calculated by converting loans and advances to customers excluding reverse repos and customer funds excluding repos, into our presentation currency, the euro, applying the closing exchange rate on the last working day of September 2022 to all periods contemplated in the analysis.

The average and period-end exchange rates for the main currencies in which the Group operates are set out in the table below.

Exchange rates: 1 euro / currency parity

	Average (income statement)		Period-end (balance sheet)		
	9M'22	9M'21	Sep-22	Jun-22	Sep-21
US dollar	1.062	1.196	0.981	1.045	1.160
Pound sterling	0.847	0.863	0.878	0.860	0.858
Brazilian real	5.440	6.367	5.286	5.473	6.300
Mexican peso	21.506	24.069	19.678	21.073	23.826
Chilean peso	911.870	882.025	939.402	979.495	941.091
Argentine peso	126.972	111.546	144.538	130.825	114.500
Polish zloty	4.670	4.547	4.843	4.702	4.599

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- **CONSOLIDATED BALANCE SHEET**
- **CONSOLIDATED INCOME STATEMENT**

NOTE: The following financial information for the first nine months of 2022 and 2021 (attached herewith) corresponds to the condensed consolidated financial statements prepared in accordance with the International Financial Reporting Standards.

Interim condensed consolidated balance sheet

EUR million

ASSETS	Sep-22	Dec-21	Sep-21
Cash, cash balances at central banks and other deposits on demand	246,533	210,689	191,035
Financial assets held for trading	179,775	116,953	122,967
Non-trading financial assets mandatorily at fair value through profit or loss	5,788	5,536	5,156
Financial assets designated at fair value through profit or loss	9,674	15,957	36,970
Financial assets at fair value through other comprehensive income	87,915	108,038	109,570
Financial assets at amortized cost	1,173,274	1,037,898	1,011,994
Hedging derivatives	11,586	4,761	5,404
Changes in the fair value of hedged items in portfolio hedges of interest risk	(5,510)	410	991
Investments	7,805	7,525	7,684
Joint ventures entities	2,055	1,692	1,669
Associated entities	5,750	5,833	6,015
Assets under insurance or reinsurance contracts	307	283	257
Tangible assets	35,662	33,321	32,446
Property, plant and equipment	34,553	32,342	31,515
For own-use	*13,613*	*13,259*	*12,619*
Leased out under an operating lease	*20,940*	*19,083*	*18,896*
Investment property	1,109	979	931
Of which : Leased out under an operating lease	*848*	*839*	*821*
Intangible assets	18,789	16,584	16,246
Goodwill	14,138	12,713	12,645
Other intangible assets	4,651	3,871	3,601
Tax assets	29,517	25,196	24,544
Current tax assets	8,222	5,756	5,008
Deferred tax assets	21,295	19,440	19,536
Other assets	10,971	8,595	8,745
Insurance contracts linked to pensions	109	149	157
Inventories	8	6	4
Other	10,854	8,440	8,584
Non-current assets held for sale	3,706	4,089	4,286
TOTAL ASSETS	**1,815,792**	**1,595,835**	**1,578,295**

Interim condensed consolidated balance sheet

Financial liabilities at amortized cost

LIABILITIES	Sep-22	Dec-21	Sep-21
Financial liabilities held for trading	132,563	79,469	80,147
Financial liabilities designated at fair value through profit or loss	44,599	32,733	47,900
Financial liabilities at amortized cost	1,493,298	1,349,169	1,317,759
Hedging derivatives	11,372	5,463	5,821
Changes in the fair value of hedged items in portfolio hedges of interest rate risk	(110)	248	402
Liabilities under insurance or reinsurance contracts	777	770	779
Provisions	8,341	9,583	9,815
Pensions and other post-retirement obligations	2,469	3,185	3,337
Other long term employee benefits	991	1,242	1,298
Taxes and other legal contingencies	2,086	1,996	2,025
Contingent liabilities and commitments	729	733	674
Other provisions	2,066	2,427	2,481
Tax liabilities	10,441	8,649	8,516
Current tax liabilities	3,330	2,187	2,269
Deferred tax liabilities	7,111	6,462	6,247
Other liabilities	15,199	12,698	11,532
Liabilities associated with non-current assets held for sale	—	—	—
TOTAL LIABILITIES	**1,716,480**	**1,498,782**	**1,482,671**

EQUITY			
Shareholders' equity	123,340	119,649	118,380
Capital	8,397	8,670	8,670
Called up paid capital	8,397	8,670	8,670
Unpaid capital which has been called up	—	—	—
Share premium	46,273	47,979	47,979
Equity instruments issued other than capital	681	658	650
Equity component of the compound financial instrument	—	—	—
Other equity instruments issued	681	658	650
Other equity	176	152	165
Accumulated retained earnings	66,701	60,273	60,273
Revaluation reserves	—	—	—
Other reserves	(5,171)	(4,477)	(4,336)
(-) Own shares	(54)	(894)	(29)
Profit attributable to shareholders of the parent	7,316	8,124	5,849
(-) Interim dividends	(979)	(836)	(841)
Other comprehensive income (loss)	(32,316)	(32,719)	(32,992)
Items not reclassified to profit or loss	(3,999)	(4,241)	(4,522)
Items that may be reclassified to profit or loss	(28,317)	(28,478)	(28,470)
Non-controlling interest	8,288	10,123	10,236
Other comprehensive income	(1,958)	(2,104)	(2,120)
Other items	10,246	12,227	12,356
TOTAL EQUITY	**99,312**	**97,053**	**95,624**
TOTAL LIABILITIES AND EQUITY	**1,815,792**	**1,595,835**	**1,578,295**

MEMORANDUM ITEMS: OFF BALANCE SHEET AMOUNTS			
Loan commitments granted	292,313	262,737	252,301
Financial guarantees granted	13,071	10,758	12,069
Other commitments granted	95,887	75,733	78,730

Interim condensed consolidated income statement

EUR million

	9M'22	9M'21
Interest income	50,318	33,629
Financial assets at fair value through other comprehensive income	*3,211*	*2,023*
Financial assets at amortized cost	*42,381*	*29,397*
Other interest income	*4,726*	*2,209*
Interest expense	(21,858)	(8,975)
Interest income/ (charges)	**28,460**	**24,654**
Dividend income	422	404
Income from companies accounted for using the equity method	501	295
Commission income	11,886	10,132
Commission expense	(3,019)	(2,322)
Gain or losses on financial assets and liabilities not measured at fair value through profit or loss, net	326	482
Financial assets at amortized cost	*7*	*95*
Other financial assets and liabilities	*319*	*387*
Gain or losses on financial assets and liabilities held for trading, net	1,151	729
Reclassification of financial assets at fair value through other comprehensive income	—	—
Reclassification of financial assets from amortized cost	—	—
Other gains (losses)	*1,151*	*729*
Gains or losses on non-trading financial assets and liabilities mandatorily at fair value through profit or loss	1	11
Reclassification of financial assets at fair value through other comprehensive income	—	—
Reclassification of financial assets from amortized cost	—	—
Other gains (losses)	*1*	*11*
Gain or losses on financial assets and liabilities measured at fair value through profit or loss, net	965	296
Gain or losses from hedge accounting, net	102	91
Exchange differences, net	(1,430)	(389)
Other operating income	1,068	1,735
Other operating expenses	(1,981)	(1,706)
Income from assets under insurance and reinsurance contracts	2,081	1,114
Expenses from liabilities under insurance and reinsurance contracts	(1,939)	(900)
Total income	**38,594**	**34,626**
Administrative expenses	(15,360)	(13,714)
Staff costs	(9,125)	(8,205)
Other general and administrative expenses	(6,235)	(5,509)
Depreciation and amortization	(2,235)	(2,064)
Provisions or reversal of provisions, net	(1,305)	(2,006)
Impairment or reversal of impairment of financial assets not measured at fair value	(7,836)	(6,000)
Financial assets at fair value through other comprehensive income	*(6)*	*(27)*
Financial assets at amortized cost	*(7,830)*	*(5,973)*
Impairment of investments in subsidiaries, joint ventures and associates, net	—	—
Impairment on non-financial assets, net	(86)	(134)
Tangible assets	*(35)*	*(116)*
Intangible assets	*(39)*	*(15)*
Others	*(12)*	*(3)*
Gain or losses on non-financial assets and investments, net	2	43
Negative goodwill recognized in results	—	—
Gains or losses on non-current assets held for sale not classified as discontinued operations	(13)	(35)
Operating profit/(loss) before tax	**11,761**	**10,716**
Tax expense or income from continuing operations	(3,538)	(3,725)
Profit/(loss) for the period from continuing operations	**8,223**	**6,991**
Profit/(loss) after tax from discontinued operations	—	—
Profit/(loss) for the period	**8,223**	**6,991**
Profit attributable to non-controlling interests	907	1,142
Profit/(loss) attributable to the parent	7,316	5,849
Earnings/(losses) per share		
Basic	0.41	0.31
Diluted	0.41	0.31

GLOSSARY

- **Active customer**: Those customers who comply with the minimum balance, income and/or transactionality requirements as defined according to the business area
- **ADR**: American Depositary Receipt
- **ALCO**: Assets and Liabilities Committee
- **APIs**: Application Programming Interface
- **APM**: Alternative Performance Measures
- **APS**: Amherst Pierpont Securities
- **AuMs**: Assets under management
- **bn**: Billion
- **BNPL:** Buy now, pay later
- **BFG**: Bankowy Fundusz Gwarancyjny (Bank Guarantee Fund)
- **bps**: basis points
- **CAL**: consumer, assets and liabilities
- **CDI**: CREST Depository Interest
- **CET1**: Core equity tier 1
- **CHF:** Swiss francs
- **CIB**: Corporate & Investment Banking
- **CNMV**: Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*)
- **CX**: Customer experience
- **DCB**: Digital Consumer Bank
- **DGF**: Deposit guarantee fund
- **Digital customers**: Every consumer of a commercial bank's services who has logged on to their personal online banking and/or mobile banking in the last 30 days
- **EBA**: European Banking Authority
- **ECB**: European Central Bank
- **EPS**: Earnings per share
- **ESG:** Environmental, Social and Governance
- **ESMA:** European Securities and Markets Authority
- **Fed**: Federal Reserve
- **Financially empowered people:** People (unbanked, underbanked or financially vulnerable), who are given access to the financial system, receive tailored finance and increase their knowledge and resilience through financial education.
- **FX**: Foreign Exchange
- **GDP**: Gross Domestic Product
- **ICO**: *Instituto de Crédito Oficial* (Official Credit Institution)
- **IFRS 9**: International Financial Reporting Standard 9, regarding financial instruments
- **IMF**: International Monetary Fund
- **IPO**: Initial Public Offering
- **LCR**: Liquidity Coverage Ratio
- **LLPs**: Loan-loss provisions
- **Loyal customers**: Active customers who receive most of their financial services from the Group according to the commercial segment that they belong to. Various engaged customer levels have been defined taking profitability into account
- **MDA**: Maximum Distribution Amount
- **mn**: Million
- **NII**: Net Interest Income
- **NPLs**: Non-performing loans
- **NPS**: Net Promoter Score
- **PBT:** Profit before tax
- **PoS**: Point of Sale
- **pp**: percentage points
- **PPI:** Payment protection insurance
- **QoQ**: Quarter-on- quarter
- **Repos**: Repurchase agreements
- **RoA**: Return on assets
- **RoE**: Return on equity
- **RoRWA**: Return on risk-weighted assets
- **RoTE**: Return on tangible equity
- **RWAs**: Risk-weighted assets
- **SAM**: Santander Asset Management
- **SBNA**: Santander Bank N.A.
- **SCF**: Santander Consumer Finance
- **SCIB**: Santander Corporate & Investment Banking
- **SC USA**: Santander Consumer USA
- **SEC**: Securities and Exchanges Commission
- **SH USA**: Santander Holdings USA, Inc.
- **SMEs**: Small and medium enterprises
- **SRF**: Single resolution fund
- **Switcher**: clients who change bank as part of the Current Account Switch Service, in which the new bank is in charge of managing the whole process, free of charge, within 7 working days
- **TLAC**: The total loss-absorption capacity requirement which is required to be met under the CRD V package
- **TLTRO**: Targeted longer-term refinancing operations
- **TNAV**: Tangible net asset value
- **UF**: *Unidad de fomento*
- **VaR**: Value at Risk
- **WM&I**: Wealth Management & Insurance
- **YoY**: Year-on-year

IMPORTANT INFORMATION

Non-IFRS and alternative performance measures

This report contains, in addition to the financial information prepared in accordance with International Financial Reporting Standards ("IFRS") and derived from our financial statements, alternative performance measures ("APMs") as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA) on 5 October 2015 (ESMA/2015/1415en) and other non-IFRS measures ("Non-IFRS Measures"). These financial measures that qualify as APMs and non-IFRS measures have been calculated with information from the Banco Santander Group; however those financial measures are not defined or detailed in the applicable financial reporting framework nor have been audited or reviewed by our auditors. We use these APMs and non-IFRS measures when planning, monitoring and evaluating our performance. We consider these APMs and non-IFRS measures to be useful metrics for our management and investors to compare operating performance between accounting periods, as these measures exclude items outside the ordinary course performance of our business, which are grouped in the "management adjustment" line and are further detailed in Section 3.2 of the Economic and Financial Review in our Directors' Report included in our Annual Report on Form 20-F for the year ended 31 December 2021. Nonetheless, these APMs and non-IFRS measures should be considered supplemental information to, and are not meant to substitute IFRS measures. Furthermore, companies in our industry and others may calculate or use APMs and non-IFRS measures differently, thus making them less useful for comparison purposes. For further details on APMs and Non-IFRS Measures, including their definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS, please see the 2021 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the "SEC") on 1 March 2022, as updated by the Form 6-K filed with the SEC on 8 April 2022 in order to reflect our new organizational and reporting structure, as well as the section "Alternative performance measures" of the annex to the Banco Santander, S.A. ("Santander") Q3 2022 Financial Report, published as Inside Information on 26 October 2022. These documents are available on Santander's website (www.santander.com). Underlying measures, which are included in this report, are non-IFRS measures.

This report also contains statements on emissions and other climate-related performance data, statistics, metrics and/or targets (the "ESG Data"). The ESG Data are not financial data and are non-IFRS data. Such ESG Data are non-audited estimates, continue to evolve and may be based on assumptions believed to be reasonable at the time of preparation, but should not be considered guarantees. The ESG Data is for informational purposes only, is not intended to be comprehensive and does not constitute investment, legal or tax advice.

The businesses included in each of our geographic segments and the accounting principles under which their results are presented here may differ from the included businesses and local applicable accounting principles of our public subsidiaries in such geographies. Accordingly, the results of operations and trends shown for our geographic segments may differ materially from those of such subsidiaries.

Forward-looking statements

Santander advises that this report contains "forward-looking statements" as per the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements may be identified by words like "expect", "project", "anticipate", "should", "intend", "probability", "risk", "VaR", "RoRAC", "RoRWA", "TNAV", "target", "goal", "objective", "estimate", "future", "commitment", "commit", "focus", "pledge" and similar expressions. Found throughout this report, they include (but are not limited to) statements on our future business development, performance, shareholder remuneration policy and ESG Data. However, a number of risks, uncertainties and other important factors may cause actual developments and results to differ materially from those anticipated, expected, projected or assumed in forward-looking statements. The following important factors, in addition to other factors discussed elsewhere in this report and other risk factors, uncertainties or contingencies detailed in our most recent Form 20-F and subsequent 6-Ks filed with, or furnished to, the SEC, as well as other unknown or unpredictable factors, could affect our future development and results and could cause materially different outcomes from those anticipated, expected, projected or assumed in forward-looking statements: (1) general economic or industry conditions of areas where we have significant operations or investments (such as a worse economic environment; higher volatility in the capital markets; inflation or deflation; changes in demographics, consumer spending, investment or saving habits; energy prices; and the effects of the war in Ukraine or the COVID-19 pandemic in the global economy); (2) climate-related conditions, regulations, targets and weather events; (3) exposure to various market risks (particularly interest rate risk, foreign exchange rate risk, equity price risk and risks associated with the replacement of benchmark indices); (4) potential losses from early repayments on our loan and investment portfolio, declines in value of collateral securing our loan portfolio, and counterparty risk; (5) political stability in Spain, the United Kingdom, other European countries, Latin America and the United States; (6) changes in legislation, regulations, taxes, including regulatory capital and liquidity requirements, especially in view of the United Kingdom exit from the European Union and increased regulation in response to financial crises; (7) our ability to integrate successfully our acquisitions and related challenges that result from the inherent diversion of management's focus and resources from other strategic opportunities and operational matters; and (8) changes in our access to liquidity and funding on acceptable terms, in particular if resulting from credit spreads shifts or downgrade in credit ratings for the entire Santander, the Banco Santander Group or significant subsidiaries.

Forward looking statements are based on current expectations and future estimates about Santander's and third-parties' operations and businesses and address matters that are uncertain to varying degrees, including, but not limited to developing standards that may change in the future; plans, projections, expectations, targets, objectives, strategies and goals relating to environmental, social, safety and governance performance, including expectations regarding future execution of Santander's and third-parties' energy and climate strategies, and the underlying assumptions and estimated impacts on Santander's and third-parties' businesses related thereto;

Santander's and third-parties' approach, plans and expectations in relation to carbon use and targeted reductions of emissions; changes in operations or investments under existing or future environmental laws and regulations; and changes in government regulations and regulatory requirements, including those related to climate-related initiatives.

Forward-looking statements are aspirational, should be regarded as indicative, preliminary and for illustrative purposes only, speak only as of the date of this report, are informed by the knowledge, information and views available on such date and are subject to change without notice. Santander is not required to update or revise any forward-looking statements, regardless of new information, future events or otherwise, except as required by applicable law.

No offer

The information contained in this report is subject to, and must be read in conjunction with, all other publicly available information, including, where relevant any fuller disclosure document published by Santander. Any person at any time acquiring securities must do so only on the basis of such person's own judgment as to the merits or the suitability of the securities for its purpose and only on such information as is contained in such public information having taken all such professional or other advice as it considers necessary or appropriate in the circumstances and not in reliance on the information contained in this report. No investment activity should be undertaken on the basis of the information contained in this report. In making this report available Santander gives no advice and makes no recommendation to buy, sell or otherwise deal in shares in Santander or in any other securities or investments whatsoever.

Neither this report nor any of the information contained therein constitutes an offer to sell or the solicitation of an offer to buy any securities. No offering of securities shall be made in the United States except pursuant to registration under the U.S. Securities Act of 1933, as amended, or an exemption therefrom. Nothing contained in this report is intended to constitute an invitation or inducement to engage in investment activity for the purposes of the prohibition on financial promotion in the U.K. Financial Services and Markets Act 2000.

Historical performance is not indicative of future results

Statements about historical performance must not be construed to indicate that future performance, share price or results (including earnings per share) in any future period will necessarily match or exceed those of any prior period. Nothing in this report should be taken as a profit forecast.

Third Party Information

In this report, Santander relies on and refers to certain information and statistics obtained from publicly-available information and third-party sources, which it believes to be reliable. Neither Santander nor its directors, officers and employees have independently verified the accuracy or completeness of any such publicly-available and third-party information, make any representation or warranty as to the quality, fitness for a particular purpose, non-infringement, accuracy or completeness of such information or undertake any obligation to update such information after the date of this report. In no event shall Santander be liable for any use by any party of, for any decision made or action taken by any party in reliance upon, or for inaccuracies or errors in, or omission from, such publicly-available and third-party information contained herein. Any sources of publicly-available information and third-party information referred or contained herein retain all rights with respect to such information and use of such information herein shall not be deemed to grant a license to any third party.

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