

Financial Report

2024 | January - June

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Santander

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This report was approved by the board of directors on 23 July 2024, following a favourable report from the audit committee. Important information regarding this report can be found on pages 92 and 93.

Key consolidated data

BALANCE SHEET (EUR million)	Jun-24	Mar-24	%	Jun-24	Jun-23	%	Dec-23
Total assets	**1,786,261**	1,800,006	(0.8)	**1,786,261**	1,780,493	0.3	1,797,062
Loans and advances to customers	**1,065,596**	1,049,533	1.5	**1,065,596**	1,045,044	2.0	1,036,349
Customer deposits	**1,037,646**	1,044,453	(0.7)	**1,037,646**	1,013,778	2.4	1,047,169
Total funds	**1,309,903**	1,315,779	(0.4)	**1,309,903**	1,255,783	4.3	1,306,942
Total equity	**103,648**	105,025	(1.3)	**103,648**	102,044	1.6	104,241

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

INCOME STATEMENT (EUR million)	Q2'24	Q1'24	%	H1'24	H1'23	%	2023
Net interest income	**11,474**	11,983	(4.2)	**23,457**	20,920	12.1	43,261
Total income	**15,670**	15,045	4.2	**30,715**	28,010	9.7	57,423
Net operating income	**9,304**	8,498	9.5	**17,802**	15,531	14.6	31,998
Profit before tax	**4,925**	4,583	7.5	**9,508**	8,090	17.5	16,459
Profit attributable to the parent	**3,207**	2,852	12.4	**6,059**	5,241	15.6	11,076

EPS, PROFITABILITY AND EFFICIENCY (%) [1]	Q2'24	Q1'24	%	H1'24	H1'23	%	2023
EPS (euros)	**0.20**	0.17	15.4	**0.37**	0.31	19.2	0.65
RoE	**13.4**	11.8		**12.6**	11.5		11.9
RoTE	**16.8**	14.9		**15.9**	14.5		15.1
RoA	**0.78**	0.69		**0.74**	0.67		0.69
RoRWA	**2.18**	1.96		**2.07**	1.88		1.96
Efficiency ratio [2]	**40.6**	42.6		**41.6**	44.2		44.1

UNDERLYING INCOME STATEMENT [2] (EUR million)	Q2'24	Q1'24	%	H1'24	H1'23	%	2023
Net interest income	**11,474**	11,983	(4.2)	**23,457**	20,920	12.1	43,261
Total income	**15,670**	15,380	1.9	**31,050**	28,234	10.0	57,647
Net operating income	**9,304**	8,833	5.3	**18,137**	15,755	15.1	32,222
Profit before tax	**4,925**	4,583	7.5	**9,508**	8,329	14.2	16,698
Profit attributable to the parent	**3,207**	2,852	12.4	**6,059**	5,241	15.6	11,076

Changes in constant euros:

Q2'24 / Q1'24: NII: -3.5%; Total income: +2.6%; Net operating income: +6.3%; Profit before tax: +8.2%; Attributable profit: +13.1%.

H1'24 / H1'23: NII: +11.2%; Total income: +9.3%; Net operating income: +14.3%; Profit before tax: +13.3%; Attributable profit: +14.7%.

Note: for Argentina and any grouping which includes it, the variations in constant euros have been calculated considering the Argentine peso exchange rate on the last working day for each of the periods presented. Additionally, from Q2 2024 onwards, a theoretical rate, which differs from official exchange rate, has been used for the Argentine peso as it better reflects the evolution of inflation (we continue to apply the official ARS exchange rate to all prior periods). For further information, see the section 'Alternative performance measures' in the appendix to this report.

SOLVENCY (%)	Jun-24	Mar-24	Jun-24	Jun-23	Dec-23
Fully-loaded CET1 ratio	**12.5**	12.3	**12.5**	12.2	12.3
Fully-loaded total capital ratio	**16.4**	16.5	**16.4**	15.9	16.3

CREDIT QUALITY (%)	Q2'24	Q1'24	H1'24	H1'23	2023
Cost of risk [2, 3]	**1.21**	1.20	**1.21**	1.08	1.18
NPL ratio	**3.02**	3.10	**3.02**	3.07	3.14
NPL coverage ratio	**66**	66	**66**	68	66

MARKET CAPITALIZATION AND SHARES	Jun-24	Mar-24	%	Jun-24	Jun-23	%	Dec-23
Shares (millions)	**15,494**	15,826	(2.1)	**15,494**	16,184	(4.3)	16,184
Share price (euros)	**4.331**	4.522	(4.2)	**4.331**	3.385	27.9	3.780
Market capitalization (EUR million)	**67,098**	71,555	(6.2)	**67,098**	54,783	22.5	61,168
Tangible book value per share (euros)	**4.94**	4.86		**4.94**	4.57		4.76
Price / Tangible book value per share (X)	**0.88**	0.93		**0.88**	0.74		0.79

CUSTOMERS (thousands)	Q2'24	Q1'24	%	H1'24	H1'23	%	2023
Total customers	**168,243**	165,752	1.5	**168,243**	163,756	2.7	164,542
Active customers	**101,277**	100,092	1.2	**101,277**	99,472	1.8	99,503
Digital customers	**57,000**	55,305	3.1	**57,000**	52,517	8.5	54,161

OTHER DATA	Jun-24	Mar-24	%	Jun-24	Jun-23	%	Dec-23
Number of shareholders	**3,526,649**	3,584,294	(1.6)	**3,526,649**	3,802,161	(7.2)	3,662,377
Number of employees	**209,553**	211,141	(0.8)	**209,553**	212,410	(1.3)	212,764
Number of branches	**8,285**	8,405	(1.4)	**8,285**	8,823	(6.1)	8,518

1. For further information, see the section 'Alternative performance measures' in the appendix to this report.
2. 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 factors that are outside the ordinary course of our business, or have been reclassified within the underlying income statement. 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 2023 Annual Financial Report, published in the CNMV on 19 February 2024, our 20-F report for the year ending 31 December 2023 filed with the SEC in the United States on 21 February 2024 as well as the 'Alternative performance measures' section of the appendix to this report.
3. Allowances for loan-loss provisions over the last 12 months / Average loans and advances to customers over the last 12 months.

Our business model

Customer focus

Building a digital bank with branches

→ New operating model to build a digital bank with branches, with a multichannel offer to fulfil all our customers' financial needs.

168 mn
total customers

101 mn
active customers

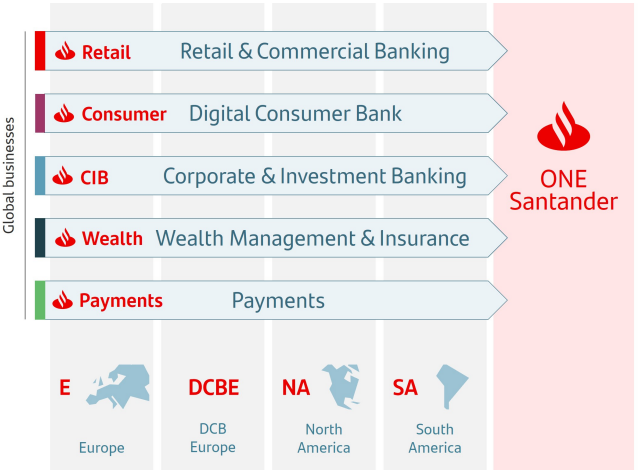
Scale

Global and in-market scale

→ Our global and in-market scale helps us to improve our local banks' profitability, adding value and network benefits.

→ Our activities are organized under five global businesses: Retail & Commercial Banking (Retail), Digital Consumer Bank (Consumer), Corporate & Investment Banking (CIB), Wealth Management & Insurance (Wealth) and Payments.

→ Our five global businesses and our presence in Europe, DCB Europe, North America and South America support value creation based on the profitable growth and operational leverage that ONE Santander provides.



Diversification

Business, geographical and balance sheet

→ Well-balanced diversification between businesses and markets with a solid and simple balance sheet that gives us recurrent net operating income with low volatility and more predictable results.

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.



Group financial information

General background

In H1 2024, Santander operated in an environment characterized by a gentle global economic slowdown, with relatively stable interest rates and a gradual decline in inflation in most regions. Geopolitical tensions, while still present, have not resulted in significant economic impacts. Labour markets withstood the monetary tightening period, with unemployment rates at or close to full employment across most of Santander's footprint.

Country	GDP Change[1]	Economic performance
Eurozone	+0.4%	Having stagnated in 2023, the economy has entered a phase of soft recovery driven by external demand. Inflation continued to moderate (+2.5% year-on-year in June), which allowed for a 25 bp interest rate cut in June. The ECB is expected to make further interest rate cuts in the second half of the year, but it will depend on whether inflation continues to approach the ECB's target.
Spain	+2.5%	In Q1 2024, GDP grew 2.5% year-on-year, supported by strong exports of services, while investment remained below pre-pandemic levels. The labour market remains strong, with the number of people enrolled in social security at record levels. In June, inflation was rose 3.4% year-on-year, while core inflation remained at 3%, due to persistently high inflation in services sector.
United Kingdom	+0.3%	The economy grew in Q1 2024, ending the technical recession that began in H2 2023. The outlook has also improved, with increased business and consumer confidence and real wage growth. The unemployment rate remained low, although it increased to 4.4% in April. Inflation continues to decline (2.0% year-on-year in June) due to lower food prices. Inflationary pressures on wages and services led the Bank of England to hold the official interest rate at 5.25%.
Portugal	+1.5%	Growth in Q1 2024 surprised positively due to the contribution from external demand. On the other hand, the contribution from domestic demand decreased, due to the slowdown in investment and private consumption. Labour market data remained strong with employment rising and unemployment at low levels (6.5% in May). After moderating in recent months, inflation rose slightly in June (2.8% year-on-year).
Poland	+2.0%	In Q1 2024, GDP rose supported by private consumption. Supply constraints in the labour market and resilient labour demand kept the unemployment rate low (4.9% in June), supporting higher wages (+11.4% year-on-year in May). Inflation is within the central bank's target range (2.6% year-on-year in June). However, core inflation remained high (+3.8% year-on-year in May) and, as such, the central bank decided to hold interest rates at 5.75%.
United States	+2.9%	Domestic demand grew at a good pace in Q1 2024, but private consumption showed signs of slowdown in Q2 2024. The unemployment rate rose to 4.1% in June. Inflation, which had increased in Q1 2024, has since declined (3.0% year-on-year in June).
Mexico	+1.6%	After having started the year with slight growth, the economy is now showing signs of weakening, though the labour market remains resilient. Year-on-year inflation rebounded to 5.0% in June. After a first 25 bp interest rate cut in Q1 2024, the central bank held interest rates at 11% in Q2 2024.
Brazil	+2.5%	The economy recovered dynamism in early 2024, driven by private consumption, investment and a strong labour market. Year-on-year inflation rebounded to 4.2% in June and medium-term expectations rose, moving away from the target. Following the latest interest rate cut in May (-25 bps to 10.5%), the central bank held interest rates in June.
Chile	+2.3%	After a weak 2023, the economy is recovering with growth in mining, industry and services sectors. Inflation rose slightly to 4.2% year-on-year in June. The central bank continued its process of rapid interest rate cuts, with a 150 bp reduction in Q2 2024 to 5.75%, though it said that interest rate cuts will slow down.
Argentina	-5.1%	The economy remained weak at the beginning of the year, due to the impact of the fiscal and monetary adjustments and high inflation, although inflation has moderated faster than expected as the year has progressed (down to a monthly average of 5.9% during Q2 2024). The external sector is showing signs of recovery, with increases in exports and trade surpluses, in contrast to the 2023 deficit.

1. Year-on-year changes for Q1'24.

Highlights of the period

Main **figures**

Q2'24 Attributable profit

EUR 3,207 mn

+12 % in euros
+13 % in constant euros
/ Q1'24

H1'24 Attributable profit

H1'23 EUR 5,241 mn
H1'24 **EUR 6,059 mn**

+16 % in euros
+15 % in constant euros
/ H1'23

- **In Q2 2024, profit attributable to the parent was EUR 3,207 million**, a new record quarter, despite charges totalling EUR 452 million (provisions relating to our CHF mortgage portfolio in Poland and write-downs after discontinuing our merchant platform in Germany and Superdigital in Latin America).
- **Attributable profit was 12% higher compared to Q1 2024 (+13% in constant euros)**, mainly driven by the good performance in Retail, Consumer and Wealth, and after having recorded the temporary levy on revenue obtained in Spain in Q1 2024 and the aforementioned charges in Q2 2024.
- **Attributable profit increased 20%** (in both euros and constant euros) **compared to Q2 2023,** with Retail, Wealth and Consumer growing. No contribution to the Single Resolution Fund (SRF) has been recorded in 2024, as contributions ended in 2023.
- **In H1 2024, attributable profit was EUR 6,059 million, 16% higher** than in the same period of 2023 (+15% in constant euros) boosted by solid revenue growth across all global businesses and regions.
- These positive results enabled us to **improve the targets we had set for the year in revenue** (from mid-single digit growth to high-single digit growth), **efficiency** (from less than 43% to close to 42%) and **profitability** (from 16% RoTE to more than 16%), while maintaining our objectives in capital and cost of risk.

RoTE

15.9% **+137 bps** / H1'23

- **Profitability** improved year-on-year and quarter-on-quarter. RoTE stood at 15.9% in H1 2024, compared to 14.5% in the same period of 2023. Annualizing the impact of the temporary levy on revenue obtained in Spain, RoTE was 16.3%, boosted by strong revenue growth.
- Sustained **earnings per share** growth in H1 2024, which rose 19% compared to H1 2023 to EUR 36.7 cents, supported by the positive performance in results and the share buybacks in the last 12 months.

Loans and advances to customers	Customer funds
+2%	+5%
Net interest income	**Net fee income**
+11%	+6%
Total income	+9%

Note: changes vs. H1'23 in constant euros.

- **Business volumes** continued to reflect the impact that the economic and interest rate environment had on customer behaviour and our active and disciplined capital management.
  Gross loans and advances to customers (excluding reverse repos) increased 2% year-on-year in constant euros, with all businesses growing except Retail, which decreased slightly as higher volumes in South America and Mexico largely offset lower loans in Europe and the US.
  Customer funds (customer deposits excluding repurchase agreements plus mutual funds) rose 5% year-on-year in constant euros, with deposits growing across all businesses except CIB (lower volumes in Spain and the US), while mutual funds rose double digits.
- The benefits from our global scale, margin management and higher customer activity were reflected in year-on-year increases in **net interest income** (+12% in euros, +11% in constant euros) and **net fee income** (+6% both in euros and constant euros), resulting in **total income** growth of 10% in euros (+9%in constant euros).

Efficiency

44.2% (H1'23) → **41.6%** (H1'24)

- Structural changes towards a simpler and more integrated model through **ONE Transformation** are contributing to efficiency gains and profitable growth. The **efficiency ratio** improved 2.6 pp compared to H1 2023 to 41.6%, driven mainly by Retail and Consumer.

Cost of risk

+13 bps

H1'23 1.08%
H1'24 **1.21%**

- **Credit quality remains robust**, driven by the strong macroeconomic environment and employment across our footprint. **The NPL ratio** was 3.02%, improving 5 bps year-on-year. Total loan-loss reserves reached EUR 23,323 million, resulting in a total coverage ratio of 66%.
- The Group's **cost of risk stood at 1.21%** (1.18% in December 2023 and 1.08% in June 2023), in line with our expectations. Retail and Consumer accounted for 85% of Group's net loan-loss provisions. In Retail, the cost of risk remained under control at 1.03%. In Consumer, CoR continued to normalize (to 2.17%) and remained at controlled levels and in line with expectations.

FL CET1

+0.2 pp

Q1'24 12.3%
Q2'24 **12.5%**

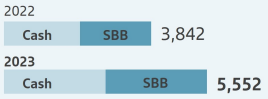
- **As at end June 2024, the fully-loaded CET1 ratio stood at 12.5%.** In the quarter, we generated 52 bps organically, including a 7 bp positive contribution from RWAs, as RWA growth was more than offset by significant risk transfer and asset rotation initiatives. We also recorded a 25 bp charge for shareholder remuneration against profit earned in Q2 2024 in line with our 50% payout target[1]. Additionally, we recorded charges of -7 bps relating to deductions, mainly intangible assets and held to collect and sell portfolio valuations. There were no significant regulatory charges in the quarter.

1. In line with the current shareholder remuneration policy of approximately 50% of the Group's reported profit (excluding non-cash, non-capital ratios impact items), divided approximately equally between cash dividends and share repurchases. Execution of the shareholder remuneration policy is subject to future corporate and regulatory decisions and approvals.

Think **Value**

Shareholder remuneration

EUR million



c.50% Higher than cash dividends per share against 2022 results

TNAVps + Cash DPS

+12% /Jun-23

- The AGM approved a cash dividend of EUR 9.50 cents per share that was paid in May. Including the cash dividend per share paid in November 2023 (EUR 8.10 cents), the **total cash dividend per share paid against 2023 results was EUR 17.60 cents**, around 50% more than the dividends per share paid against 2022 results.
- In addition to this payment, there were two **share buyback programmes** which have been completed for a total of EUR 2,769 million. Including purchases made under such buyback programmes, the **Group has repurchased c.11% of its outstanding shares** since we began our buybacks in 2021.
- Total shareholder remuneration against 2023 results totalled EUR 5,552 million, **45% higher than the remuneration against 2022 results**, distributed approximately equally between cash dividends and share buybacks.
- As at end June 2024, **TNAV per share was EUR 4.94**. Including both cash dividends charged against 2023 results, the TNAV per share + cash dividend per share increased 12% year-on-year.

Think **Customer**

Total customers: **168** mn

Active customers: **101** mn

- Our efforts to simplify and improve our product offering and quality of service were reflected in a more than 4 million year-on-year increase in **total customers** to 168 million, while **active customers** reached 101 million, up almost 2 million year-on-year.
- Transaction **volumes per active customer** rose 9% year-on-year in H1 2024.
- We continue to deliver great customer experience and improve our service quality, **ranking in the top 3 in NPS[1] in seven of our markets**.

Think **Global**

Contribution to Group revenue[2]

Year-on-year changes in constant euros

Retail — 52%

- In **Retail,** attributable profit was EUR 3,326 million (+35%) driven by double-digit growth in total income and the good performance in costs (due to our transformation efforts) and provisions.
- Efficiency improved 4.8 pp to 39.5%, cost of risk remained controlled (1.03%) and RoTE increased to 17.4% (18.1% annualizing the impact of the temporary levy).

Consumer — 20%

- In **Consumer,** net operating income increased 12%, supported by total income growth (+7%) and good cost management, reaching an attributable profit of EUR 1,070 million, (+4%) despite higher LLPs (CHF mortgages, cost of risk normalization, higher volumes and some regulatory impacts).
- Efficiency stood at 40.6%, improving 2.7 pp, cost of risk was 2.17% and RoTE stood at 12.8% (13.0% annualizing the impact of the temporary levy).

CIB — 13%

- In **CIB,** revenue continued to grow, reaching record figures for H1 2024. However, attributable profit (EUR 1,405 million), declined 5%, impacted by costs relating to our transformation investments and lower gains on financial transactions in Brazil.
- The efficiency ratio was 43.4%, remaining one the best in the sector. RoTE was 19.0% (19.1% annualizing the impact of the temporary levy).

Wealth — 6%

- In **Wealth**, attributable profit amounted to EUR 818 million (+14%) driven by higher activity and margin management, boosted especially by Private Banking.
- Efficiency improved 2.3 pp to 34.4% and RoTE was 79.3% (80.4% annualizing the impact of the temporary levy).

Payments — 9%

- In **Payments**, attributable profit reached EUR 49 million, impacted by write-downs in PagoNxt related to the discontinuation of our merchant platform in Germany and Superdigital in Latin America. Excluding it, profit would be 30% higher than in H1 2023, due to revenue growth and lower LLPs.
- Cost of risk slightly improved 8 bps to 7.03%. In PagoNxt, EBITDA margin was 20.1% (+8.9 pp year-on-year).

1. Net Promoter Score, internal benchmark of individual customers' satisfaction audited by Stiga/Deloitte in H1 2024.
2. As % of total operating areas, excluding the Corporate Centre.

Grupo Santander results

Grupo Santander. Summarized income statement

EUR million

			Change			Change
	Q2'24	Q1'24	%	H1'24	H1'23	%
Net interest income	11,474	11,983	(4.2)	23,457	20,920	12.1
Net fee income[1]	3,237	3,240	(0.1)	6,477	6,103	6.1
Gains or losses on financial assets and liabilities and exchange differences[2]	334	623	(46.4)	957	1,302	(26.5)
Dividend income	400	93	330.1	493	382	29.1
Share of results of entities accounted for using the equity method	180	123	46.3	303	296	2.4
Other operating income/expenses[3] (net)	45	(1,017)	—	(972)	(993)	(2.1)
Total income	**15,670**	**15,045**	**4.2**	**30,715**	**28,010**	**9.7**
Operating expenses	(6,366)	(6,547)	(2.8)	(12,913)	(12,479)	3.5
Administrative expenses	(5,538)	(5,719)	(3.2)	(11,257)	(10,873)	3.5
Staff costs	*(3,467)*	*(3,594)*	*(3.5)*	*(7,061)*	*(6,603)*	*6.9*
Other general administrative expenses	*(2,071)*	*(2,125)*	*(2.5)*	*(4,196)*	*(4,270)*	*(1.7)*
Depreciation and amortization	(828)	(828)	0.0	(1,656)	(1,606)	3.1
Provisions or reversal of provisions	(1,129)	(633)	78.4	(1,762)	(1,330)	32.5
Impairment or reversal of impairment of financial assets not measured at fair value through profit or loss (net)	(3,443)	(3,134)	9.9	(6,577)	(6,237)	5.5
Impairment on other assets (net)	(161)	(129)	24.8	(290)	(92)	215.2
Gains or losses on non-financial assets and investments, net	364	2	—	366	277	32.1
Negative goodwill recognized in results	—	—	—	—	—	—
Gains or losses on non-current assets held for sale not classified as discontinued operations	(10)	(21)	(52.4)	(31)	(59)	(47.5)
Profit or loss before tax from continuing operations	**4,925**	**4,583**	**7.5**	**9,508**	**8,090**	**17.5**
Tax expense or income from continuing operations	(1,448)	(1,468)	(1.4)	(2,916)	(2,281)	27.8
Profit from the period from continuing operations	**3,477**	**3,115**	**11.6**	**6,592**	**5,809**	**13.5**
Profit or loss after tax from discontinued operations	—	—	—	—	—	—
Profit for the period	**3,477**	**3,115**	**11.6**	**6,592**	**5,809**	**13.5**
Profit attributable to non-controlling interests	(270)	(263)	2.7	(533)	(568)	(6.2)
Profit attributable to the parent	**3,207**	**2,852**	**12.4**	**6,059**	**5,241**	**15.6**
EPS (euros)	**0.20**	**0.17**	**15.4**	**0.37**	**0.31**	**19.2**
Diluted EPS (euros)	**0.20**	**0.17**	**15.4**	**0.37**	**0.31**	**19.2**
Memorandum items:						
Average total assets	1,780,522	1,804,334	(1.3)	1,792,428	1,754,207	2.2
Average stockholders' equity	95,994	96,308	(0.3)	96,151	91,368	5.2

Note: the summarized income statement groups some lines of the consolidated statutory income statement on page 90 as follows:

1. 'Commission income' and 'Commission expense'.
2. 'Gain or losses on financial assets and liabilities not measured at fair value through profit or loss, net'; 'Gain or losses on financial assets and liabilities held for trading, net'; 'Gains or losses on non-trading financial assets and liabilities mandatorily at fair value through profit or loss'; 'Gain or losses on financial assets and liabilities measured at fair value through profit or loss, net'; 'Gain or losses from hedge accounting, net'; and 'Exchange differences, net'.
3. 'Other operating income'; 'Other operating expenses'; 'Income from insurance and reinsurance contracts'; and 'Expenses from insurance and reinsurance contracts'.

Statutory income statement

Results performance compared to H1 2023

In Q2 2024, profit attributable to the parent totalled EUR 3,207 million, reaching a new quarterly record, despite incorporating charges of EUR 452 million net of tax and minority interests: EUR 209 million related to higher provisions for our CHF mortgage portfolio in Poland (in Retail and Consumer), which brings the current ratio of these on-balance sheet assets to provisions to 100%; and EUR 243 million from write-downs in PagoNxt related to the discontinuation of our merchant platform in Germany (to focus on our core markets) and Superdigital in Latin America (in line with our strategy to promote the use of our common platforms across the Group to maximize operational leverage and provide the best service, while increasing access to banking services in the mass segment).

Additionally, from Q2 2024 onwards, a theoretical exchange rate has been used for the Argentine peso. For further information, see the 'Alternative performance measures' section in the appendix to this report.

Profit attributable to the parent amounted to EUR 6,059 million in H1 2024, compared to EUR 5,241 million in the same period in 2023, 16% higher year-on-year. This increase is due to the good performance of total income, which grew at a much faster pace than operating expenses, and with provisions growing in line with expectations, driven by the normalization in our Consumer business. SRF contributions ended in 2023 and therefore there is no contribution in 2024.

Total income

Total income amounted to EUR 30,715 million, up 10% year-on-year. By line:

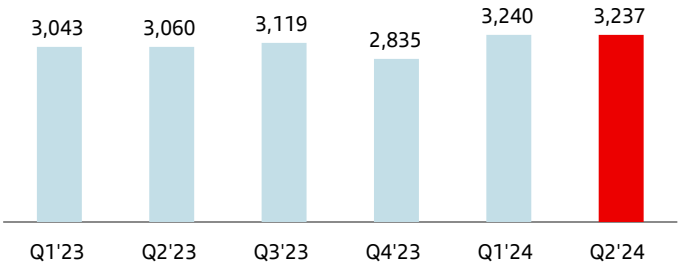
- **Net interest income** (NII) totalled EUR 23,457 million, 12% higher than in H1 2023 with widespread growth across businesses and regions.

  Growth was driven by Retail in Europe, due to good price management, and greater volumes and good margin management in Retail in Brazil and Consumer, benefitting from a lower interest rate environment given the negative sensitivity of its balance sheet. NII was also backed by increased activity in CIB, Wealth and Payments.

- **Net fee income** amounted to EUR 6,477 million, up 6% compared to H1 2023, with solid performance across all our businesses, except Payments which was impacted by a one-time positive fee recorded in Q1 2023.

Net fee income

EUR million



- **Gains or losses on financial assets and liabilities and exchange differences** declined to EUR 957 million (EUR 1,302 million in H1 2023) affected by lower results in CIB, mainly in Brazil in a weak market.

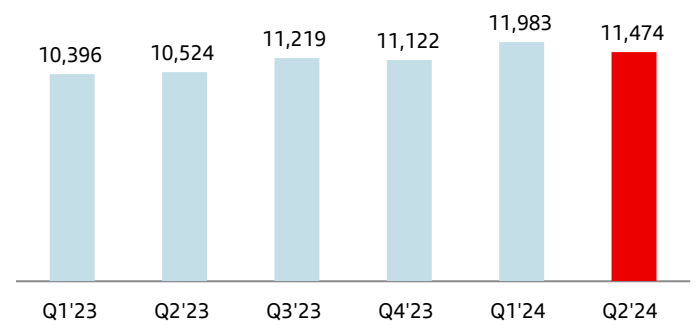
- **Dividend income** was EUR 493 million (EUR 382 million in H1 2023).

- **Income from companies accounted for by the equity method** reached EUR 303 million, compared to EUR 296 million in H1 2023.

- **Other operating income** recorded a loss of EUR 972 million (compared to a EUR 993 million loss in H1 2023), owing to the negative impact from hyperinflation adjustment in Argentina (EUR 687 million), and the temporary levy on revenue earned in Spain (EUR 335 million in Q1 2024 and EUR 224 million in Q1 2023). As mentioned above, no contributions to the SRF were charged in 2024 (EUR 293 million in Q2 2023).

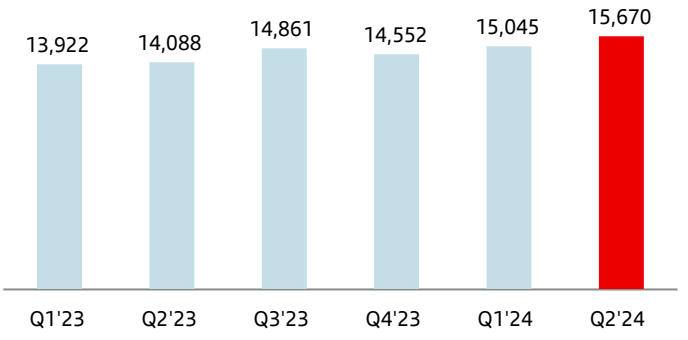
Net interest income

EUR million



Total income

EUR million



All in all, good performance of total income, supported by year-on-year growth across all our businesses and regions.

Operating expenses

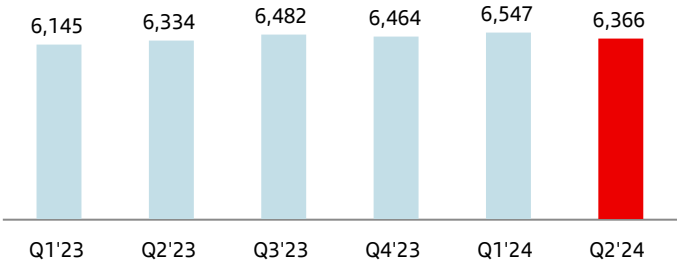
Operating expenses in H1 2024 amounted to EUR 12,913 million, and rose 3% year-on-year (at a much slower pace than total income), mainly due to the impact of inflation.

Our cost management continued to focus on structurally improving our efficiency and, as a result, we remained among the most efficient banks in the world.

We continued to drive our business transformation plan, ONE Transformation, across our footprint, reflected in greater operational leverage and better business dynamics.

Operating expenses

EUR million



Provisions or reversal of provisions

Provisions (net of provisions reversals) amounted to EUR 1,762 million and included a write-down in PagoNxt related to the discontinuation of our Superdigital platform in Latin America. In H1 2023, this provisions totalled EUR 1,330 million.

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) was EUR 6,577 million (EUR 6,237 million in H1 2023), driven by volumes growth, normalization and regulatory impacts in Consumer. It also includes provisions for our CHF mortgage portfolio in Poland, both in H1 2024 and H1 2023.

Credit quality indicators remained robust, supported by the good performance of the global economy and labour markets across our footprint.

Impairment on other assets (net)

The impairment on other assets (net) was EUR 290 million, including the write-down in PagoNxt related to the discontinuation of our merchant platform in Germany. In H1 2023, impairments totalled EUR 92 million.

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

Net gains on non-financial assets and investments were EUR 366 million in H1 2024, including a EUR 352 million capital gain resulting from having closed the joint-venture agreement with Sodexo in Brazil. In H1 2023 net gains were EUR 277 million .

Negative goodwill recognized in results

There was no negative goodwill recorded in H1 2024 or in H1 2023.

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, recorded a EUR 31 million loss in H1 2024 (EUR 59 million loss in H1 2023).

Profit before tax

Profit before tax was EUR 9,508 million in H1 2024, up 18% year-on-year, supported by the solid performance in net interest income and net fee income.

Income tax

Total income tax amounted to EUR 2,916 million compared to EUR 2,281 million in H1 2023.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests amounted to EUR 533 million (EUR 568 million in H1 2023).

Profit attributable to the parent

Profit attributable to the parent rose to EUR 6,059 million in H1 2024, compared to EUR 5,241 million in the same period in 2023, 16% higher year-on-year.

These results do not fully reflect the underlying business performance due to the impact of the aforementioned charges.

Underlying income statement

→ **Record profit in the quarter and first half of the year**, with solid revenue growth in all our global businesses and regions.

→ **Efficiency improvement and profitable growth,** supported by the operational leverage resulting from ONE Transformation.

→ **Risk indicators were robust**, due to good risk management, the economic environment and low unemployment.

→ Positive 2024 results **enabled us to improve our targets for the year in revenue, efficiency and profitability.**

Attributable profit		RoTE	RoRWA
EUR 6,059 million	**+16% in euros** **+15% in constant euros**	**15.9%** +1.4 pp	**2.07%** +0.2 pp

Note: changes vs. H1 2023.

Results performance compared to H1 2023

The Group presents, both at the total Group level and for each of the business units, the changes in euros registered in the income statement, as well as variations excluding the exchange rate effect (i.e. in constant euros) except for Argentina and any grouping which includes it, understanding that the latter provide a better analysis of the Group's management. Additionally, from Q2 2024 onwards, a theoretical exchange rate has been used for the Argentine peso. For further information, see the 'Alternative performance measures' section in the appendix to this report.

At the Group level, exchange rates had a positive impact of 0.7 pp in revenue and a negative impact of 0.5 pp in costs.

To better understand the business trends, we reclassified certain items under some headings of the underlying income statement. These items explain the differences between the statutory and underlying income statements and are:

- In H1 2024:
  - The impact of the temporary levy on revenue earned in Spain totalling EUR 335 million in Q1 2024, which was moved from total income to other gains (losses) and provisions.
  - Provisions which strengthen the balance sheet in Brazil of EUR 352 million in Q2 2024 (EUR 174 million net of tax and minority interests).
- In H1 2023:
  - The impact of the temporary levy on revenue earned in Spain totalling EUR 224 million in Q1 2023, which was moved from total income to other gains (losses) and provisions.
  - Provisions which strengthen the balance sheet in Brazil of EUR 235 million, net of tax and minority interests in Q1 2023.

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

As profit was not affected by results that fell outside the ordinary course of our business, no amount was recorded in the net capital gains and provisions line in H1 2024 or in H1 2023 and so both profit attributable to the parent and underlying profit were the same; EUR 6,059 million in H1 2024 and EUR 5,241 million in H1 2023. This represents a 16% year-on-year increase, a 15% rise in constant euros.

This year-on-year comparison is impacted by a higher charge of the temporary levy and by the EUR 243 million net of tax and minority interests from the write-downs in PagoNxt in Q2 2024 related to the discontinuation of our merchant platform in Germany and Superdigital in Latin America. Additionally, there was no contribution to the SRF in 2024, as contributions ended in 2023.

Summarized underlying income statement

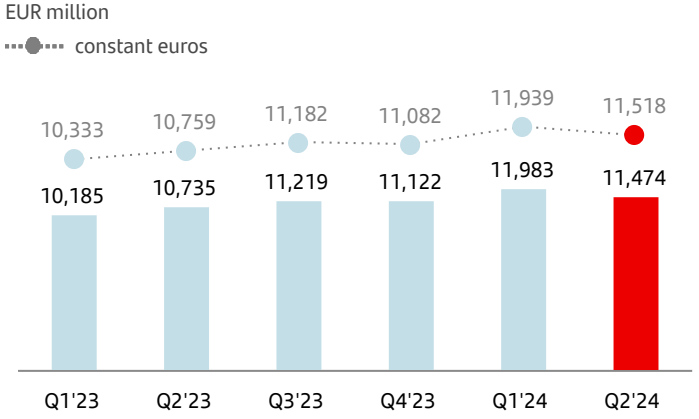
EUR million	Q2'24	Q1'24	Change %	Change % excl. FX	H1'24	H1'23	Change %	Change % excl. FX
Net interest income	11,474	11,983	(4.2)	(3.5)	23,457	20,920	12.1	11.2
Net fee income	3,237	3,240	(0.1)	0.8	6,477	6,103	6.1	5.8
Gains (losses) on financial transactions [1]	334	623	(46.4)	(46.4)	957	1,302	(26.5)	(25.7)
Other operating income	625	(466)	—	—	159	(91)	—	—
Total income	**15,670**	**15,380**	**1.9**	**2.6**	**31,050**	**28,234**	**10.0**	**9.3**
Administrative expenses and amortizations	(6,366)	(6,547)	(2.8)	(2.3)	(12,913)	(12,479)	3.5	3.0
Net operating income	**9,304**	**8,833**	**5.3**	**6.3**	**18,137**	**15,755**	**15.1**	**14.3**
Net loan-loss provisions	(3,118)	(3,125)	(0.2)	1.1	(6,243)	(5,771)	8.2	7.6
Other gains (losses) and provisions	(1,261)	(1,125)	12.1	12.8	(2,386)	(1,655)	44.2	42.7
Profit before tax	**4,925**	**4,583**	**7.5**	**8.2**	**9,508**	**8,329**	**14.2**	**13.3**
Tax on profit	(1,448)	(1,468)	(1.4)	(0.4)	(2,916)	(2,494)	16.9	15.6
Profit from continuing operations	**3,477**	**3,115**	**11.6**	**12.2**	**6,592**	**5,835**	**13.0**	**12.3**
Net profit from discontinued operations	—	—	—	—	—	—	—	—
Consolidated profit	**3,477**	**3,115**	**11.6**	**12.2**	**6,592**	**5,835**	**13.0**	**12.3**
Non-controlling interests	(270)	(263)	2.7	2.9	(533)	(594)	(10.3)	(9.3)
Net capital gains and provisions	—	—	—	—	—	—	—	—
Profit attributable to the parent	**3,207**	**2,852**	**12.4**	**13.1**	**6,059**	**5,241**	**15.6**	**14.7**
Underlying profit attributable to the parent [2]	**3,207**	**2,852**	**12.4**	**13.1**	**6,059**	**5,241**	**15.6**	**14.7**

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

Total income amounted to EUR 31,050 million, a new record, up 10% year-on-year. In constant euros, total income rose 9% year-on-year, as follows:

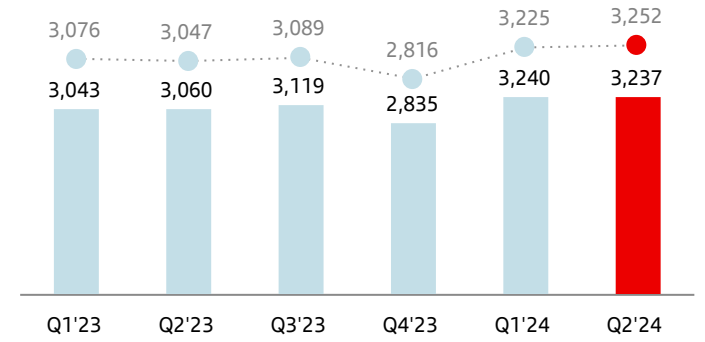
- **Net interest income (NII)** was 11% higher than H1 2023 with growth across businesses and regions:
  - Strong growth in **Retail**, (+12%) with increases in all regions, especially in Europe, driven by good liability margin management, and in South America which benefitted from higher volumes and lower deposit costs in Brazil and Chile following interest rate cuts.
  - In **Consumer,** NII rose 7% supported by our active asset repricing actions and volumes growth in Europe, and higher volumes and lower interest rates in Brazil (favouring consumption).
  - **CIB** increased strongly (+22%), backed by solid performance in Global Banking.
  - In **Wealth,** NII rose 13%, driven by good margin management and increased activity in Private Banking in a favourable macroeconomic environment.
  - In **Payments**, NII rose 10% driven by the solid performance in Cards, which is the main NII business in Payments, driven by higher volumes in Mexico and Brazil.

Net interest income



- **Net fee income** grew 6% compared with H1 2023, reaching a new record of EUR 6,477 million with widespread growth across all businesses except Payments, whose year-on-year comparison was impacted by a one-time positive fee from commercial agreements in Brazil in Q1 2023. By business:
  - In **Retail,** net fee income increased 3%, supported by growth across most countries, especially in Brazil, mainly due to insurance and foreign exchange fees.
  - In **Consumer**, net fee income rose 27%, driven by growth in Europe due to increased insurance penetration (particularly in Germany), in Brazil boosted by volumes growth, and in the US in part due to auto fees.
  - In **CIB**, it increased 12%, driven by greater activity in Global Banking, backed by our US Banking Build-Out (BBO) initiatives.
  - In **Wealth**, net fee income rose 15%, mainly due to the good commercial activity in Private Banking and Asset Management.
  - In **Payments**, it declined 7% affected by the impact of the aforementioned one-time positive fee in Q1 2023 in Cards, while net fee income rose in PagoNxt due to the good performance in Ebury and the increase in Getnet in Chile, Mexico and Europe.

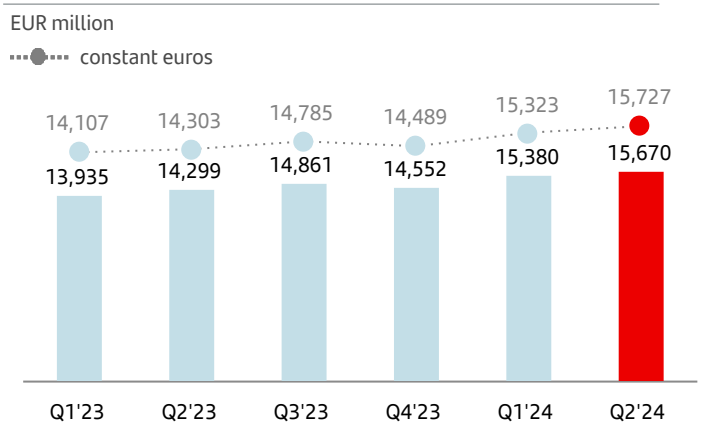
Net fee income



- **Gains on financial transactions** declined 26% driven by CIB (lower gains in Global Markets down from a very strong H1 2023, especially by Brazil in a weak market, partially offset by higher results in Retail.
- **Other operating income** included a greater negative impact from hyperinflation adjustment in Argentina. In 2024, there is no contribution to the SRF, as contributions ended in 2023.

This positive performance in revenue during H1 2024, enabled us to improve growth expectations for the whole year and upgrade our total income target from mid-single digit growth to high-single digits.

Total income



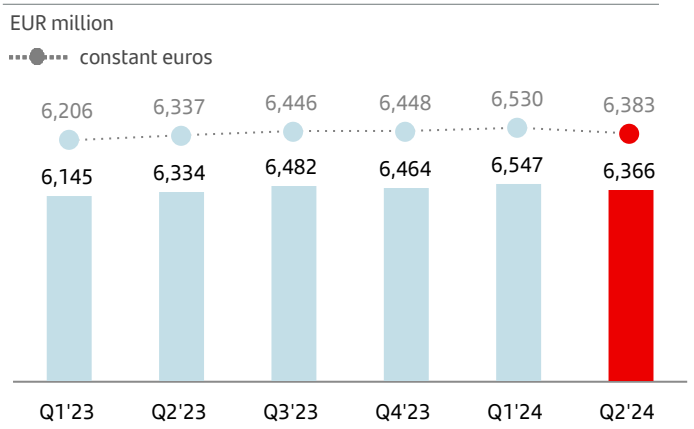
- **Administrative expenses and amortizations** in H1 2024 totalled EUR 12,913 million, up 3% year-on-year. In real terms, excluding the impact of the average inflation, and in constant euros, they were 1% lower year-on-year.

  Our cost management continued to focus on structurally improving our efficiency. As a result, we remained among the most efficient banks in the world with an efficiency of 41.6%, having improved 2.6 pp vs. H1 2023 and better than our target for 2024. This is why we have upgraded our efficiency ratio target from under 43% to close to 42%.

  We continued to progress with our business transformation plan, ONE Transformation, reflected in greater operational leverage and better business dynamics. By business and in constant euros:

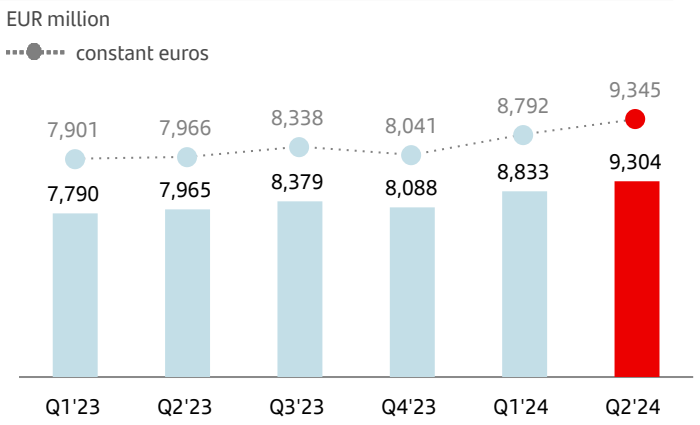
- In **Retail,** costs remained flat, but were down 4% in real terms (i.e excluding inflation), driven by the efforts in transformation (mainly in Spain and the US) and the lower costs in Argentina. The efficiency ratio stood at 39.5%, improving 4.8 pp year-on-year.
- In **Consumer**, costs were stable year-on-year, in real terms they fell 3% driven by cost discipline in the US, absorbing strategic investments in platforms in leasing (launched in two European markets) and check-out lending. This resulted in a 2.7 pp improvement in the efficiency ratio year-on-year, falling to 40.6%.
- In **CIB**, they increased by 20%, +16% in real terms, due to our investments in new products and capabilities, as we invest for future growth. The efficiency ratio stood at 43.4%.
- In **Wealth**, costs rose 5% mainly due to inflation. In real terms, they increased 2% due to investments in key initiatives such as reinforcing our Private Banking teams to respond to higher commercial activity. The efficiency ratio improved 2.3 pp year-on-year to 34.4%.
- In **Payments**, they were 4% up impacted by inflationary pressures, as they were flat in real terms despite investments in global platforms in both PagoNxt and Cards. The efficiency ratio remained relatively stable year-on-year at 46.9%.

Operating expenses



Net operating income in H1 2024 grew 15% year-on-year (14% in constant euros), reaching a new record of EUR 18,137 million.

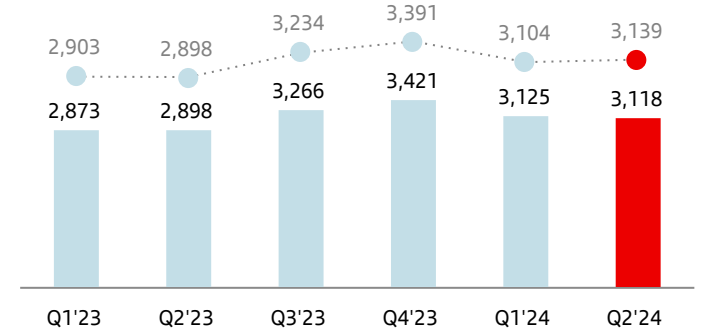
Net operating income



- **Net loan-loss provisions** in H1 2024 amounted to EUR 6,243 million, up 8%. In constant euros, they also increased 8%, as the good performance in Retail, due to lower levels of provisions in Europe, partially offset the expected increase in Consumer, driven by the normalization of the cost of risk from very low levels, volumes growth and regulatory impacts.

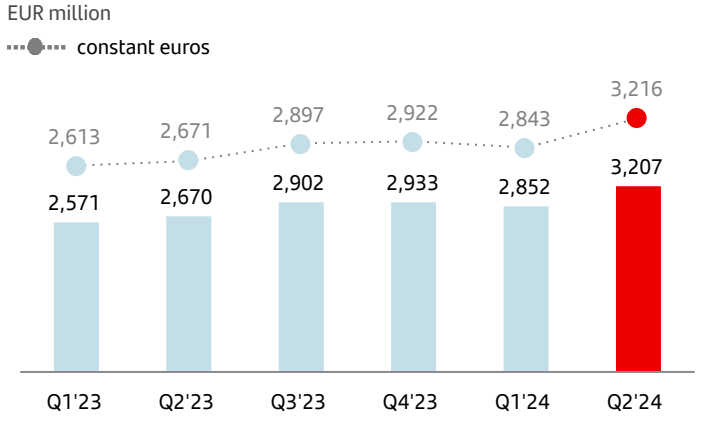
  Additionally, we increased the coverage of the CHF mortgage portfolio in Poland. The cost of risk stood at 1.21%, in line with the Group's target for 2024.

Net loan-loss provisions



- **Other gains (losses) and provisions** had a loss of EUR 2,386 million, versus a EUR 1,655 million loss in H1 2023, mainly affected by write-downs in PagoNxt related to the discontinuation of our merchant platform in Germany and Superdigital in Latin America, as well as by the higher impact of the temporary levy on revenue earned in Spain.
- **Profit attributable to the parent** in H1 2024 was EUR 6,059 million, 16% more than in the same period in 2023 (+15% in constant euros), supported by double-digit net operating income growth, as total income greatly outpaced cost growth.

Profit attributable to the parent



RoTE in H1 2024 stood at 15.9% (14.5% in H1 2023), RoRWA at 2.07% (1.88% in H1 2023) and earnings per share stood at EUR 0.37 (EUR 0.31 in H1 2023). Annualizing the impact of the temporary levy on revenue earned in Spain, RoTE in H1 2024 would have been 16.3%. Positive H1 2024 results enabled us to improve our profitability target for the year, from a 16% RoTE to more than 16%.

Underlying results performance compared to Q1 2024

Underlying profit attributable to the parent and profit attributable to the parent were the same both in Q2 2024, at EUR 3,207 million, and in Q1 2024, at EUR 2,852 million, as profit was not affected by results outside the ordinary course of our business.

Quarterly variations in the income statement are impacted by the application of the new theoretical exchange rate for the Argentine peso. For further information, see the 'Alternative performance measures' section in the appendix to this report.

Profit increased 12% compared to Q1 2024. In constant euros, it increased 13%, by line:

Total income rose 3% driven by the positive performance of the main lines:

- **Net interest income** decreased 4%, largely impacted by Argentina. Excluding Argentina, it rose 2% driven by Retail (mainly Brazil and Chile supported by lower cost of deposits and greater volumes) and the increased activity in CIB.
- **Net fee income** grew 1% quarter-on-quarter. Excluding Argentina, they rose 3%, backed by the good performances in Retail, Consumer and Payments.
- **Gains on financial transactions** fell 46% (-42% excluding Argentina), due to the performance in CIB, mainly in Brazil, partially offset by higher results in Retail and the Corporate Centre.
- **Operating expenses** in Q2 2024 fell 2% quarter-on-quarter. Excluding Argentina, they were flat as cost efficiencies captured in Retail were offset by our investments in CIB.
- **Net loan-loss provisions** were practically flat, as the significant declines in Consumer in the US and Brazil offset the increase in Retail, due to volumes growth, and higher CHF provisions in Poland (Retail and Consumer).
- **Other gains (losses) and provisions** had a EUR 1,261 million loss in Q2 2024, which includes the write-downs in PagoNxt related to the discontinuation of our merchant platform in Germany and Superdigital in Latin America, compared to a EUR 1,125 million loss recorded in Q1 2024, which was affected by the impact of the temporary tax on revenue earned in Spain.

Grupo Santander balance sheet

Grupo Santander. Condensed balance sheet

EUR million

			Change		
Assets	**Jun-24**	**Jun-23**	**Absolute**	**%**	**Dec-23**
Cash, cash balances at central banks and other demand deposits	156,234	207,546	(51,312)	(24.7)	220,342
Financial assets held for trading	206,874	183,834	23,040	12.5	176,921
Debt securities	71,523	55,823	15,700	28.1	62,124
Equity instruments	16,764	13,349	3,415	25.6	15,057
Loans and advances to customers	19,899	11,051	8,848	80.1	11,634
Loans and advances to central banks and credit institutions	39,760	35,998	3,762	10.5	31,778
Derivatives	58,928	67,613	(8,685)	(12.8)	56,328
Financial assets designated at fair value through profit or loss[1]	15,335	15,441	(106)	(0.7)	15,683
Loans and advances to customers	6,601	6,782	(181)	(2.7)	7,201
Loans and advances to central banks and credit institutions	444	627	(183)	(29.2)	459
Other (debt securities an equity instruments)	8,290	8,032	258	3.2	8,023
Financial assets at fair value through other comprehensive income	82,270	86,756	(4,486)	(5.2)	83,308
Debt securities	71,160	76,010	(4,850)	(6.4)	73,565
Equity instruments	1,842	1,729	113	6.5	1,761
Loans and advances to customers	8,933	8,714	219	2.5	7,669
Loans and advances to central banks and credit institutions	335	303	32	10.6	313
Financial assets measured at amortized cost	1,217,341	1,180,302	37,039	3.1	1,191,403
Debt securities	114,347	91,559	22,788	24.9	103,559
Loans and advances to customers	1,030,163	1,018,497	11,666	1.1	1,009,845
Loans and advances to central banks and credit institutions	72,831	70,246	2,585	3.7	77,999
Investments in subsidiaries, joint ventures and associates	8,235	7,679	556	7.2	7,646
Tangible assets	33,709	34,159	(450)	(1.3)	33,882
Intangible assets	19,359	19,528	(169)	(0.9)	19,871
Goodwill	13,668	14,126	(458)	(3.2)	14,017
Other intangible assets	5,691	5,402	289	5.3	5,854
Other assets[2]	46,904	45,248	1,656	3.7	48,006
Total assets	**1,786,261**	**1,780,493**	**5,768**	**0.3**	**1,797,062**
Liabilities and shareholders' equity					
Financial liabilities held for trading	133,856	134,888	(1,032)	(0.8)	122,270
Customer deposits	23,729	19,921	3,808	19.1	19,837
Debt securities issued	—	—	—	—	—
Deposits by central banks and credit institutions	28,213	30,356	(2,143)	(7.1)	25,670
Derivatives	52,261	62,259	(9,998)	(16.1)	50,589
Other	29,653	22,352	7,301	32.7	26,174
Financial liabilities designated at fair value through profit or loss	34,493	36,220	(1,727)	(4.8)	40,367
Customer deposits	24,809	27,297	(2,488)	(9.1)	32,052
Debt securities issued	6,726	5,684	1,042	18.3	5,371
Deposits by central banks and credit institutions	2,942	3,239	(297)	(9.2)	2,944
Other	16	—	16	—	—
Financial liabilities measured at amortized cost	1,454,896	1,446,882	8,014	0.6	1,468,703
Customer deposits	989,108	966,560	22,548	2.3	995,280
Debt securities issued	305,136	285,869	19,267	6.7	303,208
Deposits by central banks and credit institutions	117,752	149,348	(31,596)	(21.2)	130,028
Other	42,900	45,105	(2,205)	(4.9)	40,187
Liabilities under insurance contracts	17,592	17,584	8	0.0	17,799
Provisions	8,401	8,389	12	0.1	8,441
Other liabilities[3]	33,375	34,486	(1,111)	(3.2)	35,241
Total liabilities	**1,682,613**	**1,678,449**	**4,164**	**0.2**	**1,692,821**
Shareholders' equity	132,836	127,258	5,578	4.4	130,443
Capital stock	7,747	8,092	(345)	(4.3)	8,092
Reserves (including treasury stock)[4]	119,030	113,925	5,105	4.5	112,573
Profit attributable to the Group	6,059	5,241	818	15.6	11,076
Less: dividends	—	—	—	—	(1,298)
Other comprehensive income	(36,963)	(33,789)	(3,174)	9.4	(35,020)
Minority interests	7,775	8,575	(800)	(9.3)	8,818
Total equity	**103,648**	**102,044**	**1,604**	**1.6**	**104,241**
Total liabilities and equity	**1,786,261**	**1,780,493**	**5,768**	**0.3**	**1,797,062**

Note: The condensed balance sheet groups some lines of the consolidated balance sheet on pages 88 and 89 as follows:

1. 'Non-trading financial assets mandatorily at fair value through profit or loss' and 'Financial assets designated at fair value through profit or loss'.
2. 'Hedging derivatives'; 'Changes in the fair value of hedged items in portfolio hedges of interest risk'; 'Assets under reinsurance contracts'; 'Tax assets'; 'Other assets'; and 'Non-current assets held for sale'.
3. 'Hedging derivatives'; 'Changes in the fair value of hedged items in portfolio hedges of interest rate risk'; 'Tax liabilities'; 'Other liabilities'; and 'Liabilities associated with non-current assets held for sale'.
4. 'Share premium'; 'Equity instruments issued other than capital'; 'Other equity'; 'Accumulated retained earnings'; 'Revaluation reserves'; 'Other reserves'; and 'Own shares (-)'.

Balance sheet

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

Lending volumes rose 2% year-on-year. Quarter-on-quarter, lending volumes also increased 2%, with growth across most businesses and regions.

Gross loans and advances to customers (excl. reverse repos)	
1,027	+2% QoQ
EUR billion	+2% YoY

➔ By segment:

Solid growth year-on-year in our Consumer and CIB businesses, with a slight decrease in Retail.

Retail	Consumer	CIB
-1%	+6%	+7%

Customer funds (deposits excl. repos + mutual funds)

Customer funds grew year-on-year and remained flat quarter-on-quarter, as the decline in corporate deposits was offset by higher mutual funds.

Customer funds (deposits excl. repos + mutual funds)	
1,171	0% QoQ
EUR billion	+5% YoY

➔ By product:

Year-on-year growth in time deposits and mutual funds at the expense of demand deposits.

Demand	Time	Mutual funds
-1%	+12%	+17%

Note: changes in constant euros.

Loans and advances to customers

Loans and advances to customers stood at EUR 1,065,596 million as at end June 2024, a 2% increase both year-on-year and quarter-on-quarter.

For the purpose of analysing traditional banking loans, the Group uses gross loans and advances to customers excluding reverse repos (EUR 1,027,346 million). Additionally, the comments below do not include the exchange rate impact (i.e in constant euros), except for Argentina and any grouping which includes it. From Q2 2024 onwards, a theoretical exchange rate has been used for the Argentine peso. For further information, see the 'Alternative performance measures' section in the appendix to this report. However, the use of this new exchange rate did not significantly impact quarter-on-quarter balance variations given the small size of Argentina's balance sheet relative to the total Group.

In Q2 2024, gross loans and advances to customers, excluding reverse repos, rose 2% quarter-on-quarter in constant euros, as follows:

- They increased 1% in **Retail**, driven by growth in corporates, as individuals and SMEs were stable. By region, they increased in South America (mainly in Brazil), North America (mainly Mexico) and were flat in Europe (good performance in Spain and Poland offset the fall in the UK).
- In **Consumer**, loans grew 3%, driven by the increases in auto in Europe, the US and Brazil.
- In **CIB,** loans grew 5%, with increases in all regions, especially in Spain driven by higher activity levels.
- They increased 1% in **Wealth** and declined 1% in **Payments**.

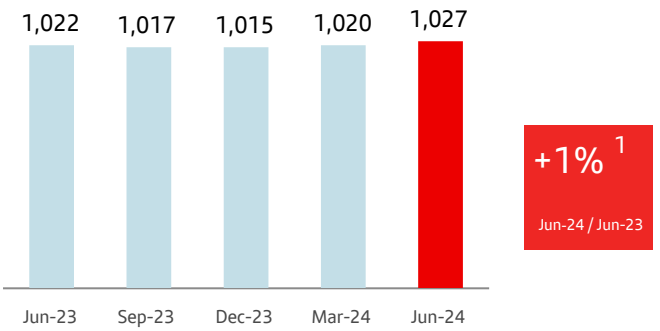
Compared to **June 2023**, gross loans and advances to customers (excluding reverse repos and in constant euros) grew 2%, as follows:

- In **Retail**, they dropped 1%, as falls in the UK (in line with our strategy of increasing profitability) and Spain (affected by mortgage prepayments and lower SME lending) was partially offset by growth in Brazil, Poland, Mexico and Chile.
- They rose 6% in **Consumer,** boosted by the good performance in auto in Europe and Brazil.
- In **CIB**, they grew 7% boosted by solid growth in the US, on the back of our US BBO initiatives.
- They increased 3% in **Wealth** and 4% in **Payments**.

As at end June 2024, gross loans and advances to customers excluding reverse repos maintained a diversified mix among the markets in which the Group operates: Europe (55%), DCB Europe (14%), North America (16%) and South America (15%).

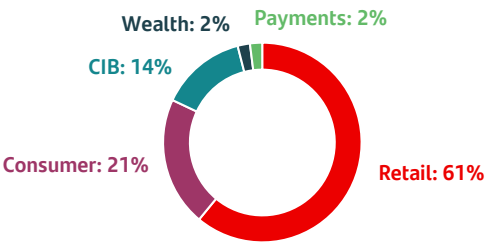
Gross loans and advances to customers (excl. reverse repos)

EUR billion



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

% operating areas. June 2024



1. In constant euros: +2%.

Customer funds

Customer deposits amounted to EUR 1,037,646 million in June 2024, falling 1% quarter-on-quarter and growing 2% 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 1,171,085 million as at end June 2024. Additionally, the comments below do not include the exchange rate impact (i.e in constant euros), except for Argentina and any grouping which includes it. From Q2 2024 onwards, a theoretical exchange rate has been used for the Argentine peso. For further information, see the 'Alternative performance measures' section in the appendix to this report. However, the use of this new exchange rate did not significantly impact quarter-on-quarter balance variations given the small size of Argentina's balance sheet relative to the total Group.

In the quarter, customer funds were flat in constant euros, as follows:

- By product, customer deposits excluding repos decreased slightly, offset by mutual funds which grew 3%.
- By primary segment, customer funds grew 3% in **Consumer**, up 1% in **Retail** and **Wealth**. On the other hand, they fell 7% in **CIB**, mainly driven by strategy changes to reduce excess corporate deposits.

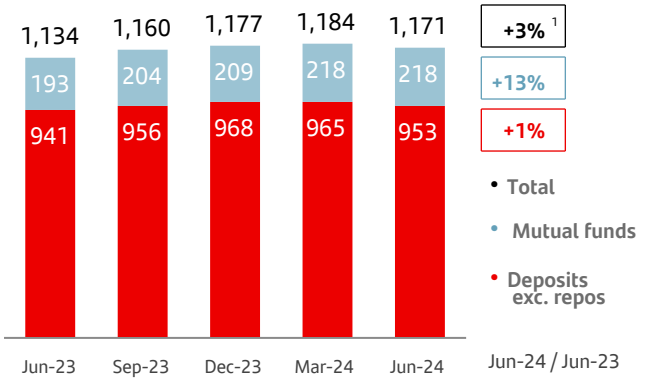
Compared to June 2023, customer funds were up 5% in constant euros:

- By product, deposits excluding repurchase agreements rose 2%, driven by an increase in time deposits (+12%) given the current interest rate environment, with time deposit growth in most markets (except in the US and Argentina), to the detriment of demand deposits, which fell 1%. Mutual funds increased 17%.
- By business, they rose 4% in **Retail**, backed by strong growth in Brazil, Spain, Mexico and Poland, up 14% in **Consumer** as part of our strategy to increase deposit funding, while they fell 3% in **CIB** due to lower volumes in Spain and the US, and increased 10% in **Wealth,** due to mutual funds.
- By secondary segment, strong growth in Brazil, Spain Mexico, Poland and DCB Europe.

As at June 2024, customer funds maintained a diversified mix among the markets in which the Group operates: Europe (62%), DCB Europe (7%), North America (14%) and South America (17%). The weight of demand deposits as a percentage of total customer funds was 56%, while time deposits accounted for 25% of the total and mutual funds for 19%.

Customer funds

EUR billion



1. In constant euros: +5%.

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 H1 2024, the Group **issued**:

- Medium- and long-term senior debt placed in the market of EUR 12,053 million and covered bonds amounting to EUR 6,272 million.
- TLAC eligible instruments issued amounted to EUR 11,998 million, of which EUR 8,092 million was senior non-preferred, EUR 2,406 million was subordinated debt and EUR 1,500 million was AT1.
- Maturities of medium- and long-term debt totalled EUR 25,682 million.

The net loan-to-deposit ratio was 103% (103% in June 2023). The ratio of deposits plus medium- and long-term funding to the Group's loans was 123%, underscoring the comfortable funding structure. The liquidity coverage ratio (LCR) was an estimated 163% in June 2024 (158% in June 2023).

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

Rating agencies

	Long term	Short term	Outlook
Fitch Ratings	A-(Senior A)	F2 (Senior F1)	Stable
Moody's	A2	P-1	Positive
Standard & Poor's	A+	A-1	Stable
DBRS	A (High)	R-1 (Middle)	Stable

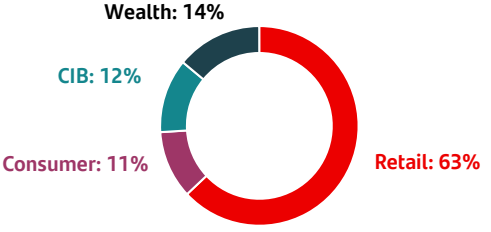
Moody's confirmed its A2 long-term and P-1 short-term ratings in April of this year, and also improved its outlook from stable to positive following the same movement in the rating of the Kingdom of Spain, remaining two notches above sovereign. In April, Standard & Poor's (S&P) rated our additional tier 1 debt as BBB- (investment grade), a new rating for this instrument.

In terms of outlooks, DBRS and Fitch maintained their stable outlooks, above the sovereign's, while S&P also maintained its outlook but in line with the sovereign.

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

% operating areas. June 2024



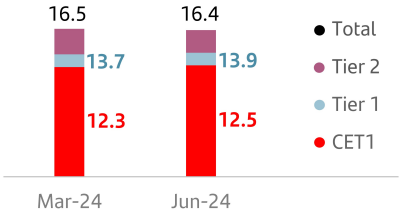
Solvency ratios

Executive summary

Fully-loaded capital ratio

The fully-loaded CET1 ratio remained above 12% at the end of June, in line with the Group's objective.

Fully-loaded CET1 performance (%)



Fully-loaded CET1 ratio

We continued to generate capital organically in the quarter, backed by profit growth.

Organic generation	+52 bps
Accrual for shareholder remuneration[1]	-25 bps

TNAV per share

TNAV per share was **EUR 4.94**, increasing 12% year-on-year including the cash dividends.

As at end June 2024, the total phased-in capital ratio (applying the IFRS 9 transitional arrangements) stood at 16.7% and the phased-in CET1 ratio at 12.5%. We comfortably meet the levels required by the ECB on a consolidated basis (estimated 13.9% for the total capital ratio and 9.6% for the CET1 ratio)[2]. This resulted in a distance to the maximum distributable amount (MDA) of 245 bps and a CET1 management buffer of 286 bps.

In fully-loaded terms, we generated 52 bps organically in the quarter, including a 7 bp positive contribution from RWAs, as RWA growth was more than offset by significant risk transfer and asset rotation initiatives. We also recorded a 25 bp charge for shareholder remuneration against profit earned in Q2 2024 in line with our 50% payout target[1].

Additionally, we recorded charges of -7 bps relating to deductions, mainly intangible assets and held to collect and sell portfolio valuations. There were no significant regulatory charges in the quarter.

This resulted in a fully-loaded CET1 ratio of 12.5%. The total fully-loaded capital ratio stood at 16.4%.

TNAV per share ended the quarter at EUR 4.94. Including the cash dividend paid in November 2023 (EUR 8.10 cents) and the second cash dividend charged against 2023 results (EUR 9.50 cents) paid in May, TNAV plus cash dividend per share increased 12% in the last twelve months (+2% in the quarter).

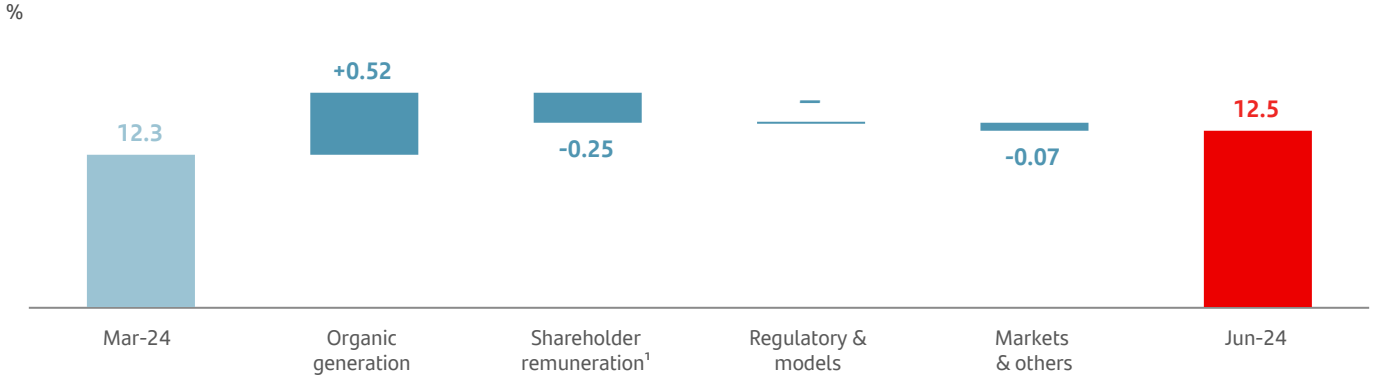
Lastly, the fully-loaded leverage ratio stood at 4.74% and the phased-in was also 4.74%.

Eligible capital. June 2024

EUR million

	Fully-loaded	Phased-in
CET1	77,848	77,975
Basic capital	86,681	86,809
Eligible capital	**102,419**	**104,420**
Risk-weighted assets	625,017	624,831
	%	**%**
CET1 capital ratio	**12.5**	**12.5**
Tier 1 capital ratio	**13.9**	**13.9**
Total capital ratio	**16.4**	**16.7**

Fully-loaded CET1 ratio performance



Note: 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.

1. Shareholder remuneration charged against profit earned in Q2 2024 in line with our target of approximately 50% payout, divided approximately equally between cash dividends and share repurchases. The implementation of the shareholder remuneration policy is subject to future corporate and regulatory decisions and approvals.
2. On 1 January 2024, our systemic buffer requirement increased from 1% to 1.25% due to a higher D-SIB requirement due to i) a methodological change by the ECB which was later adopted by Banco de España and ii) because institutions must hold capital at the consolidated level for the higher of the G-SIB (currently at 1%) and D-SIB requirements. Additionally, the ECB revised Banco Santander, S.A.'s P2R requirement from 1.58% to 1.74%, mainly due to a change in the ECB's methodology.

Risk management

Executive summary

Credit risk

Credit quality indicators remain within expected levels due to proactive risk management, despite the macroeconomic and geopolitical environment.

Cost of risk	NPL ratio	Coverage ratio
1.21%	3.02%	66%
+1 bps vs. Q1'24	-8 bps vs. Q1'24	0 pp vs. Q1'24

Market risk

Stability in our risk profile. VaR remained at moderate levels in an economic environment with persistent inflation and greater geopolitical risk.

Average VaR		
Q2'24	EUR 16 million	-EUR 1 mn / Q1'24

Structural and liquidity risk

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

Liquidity Coverage Ratio (LCR)	
163%	+5 pp vs. Q1'24

Operational risk

The operational risk profile deteriorated slightly in Q2 2024, caused by an increase in execution and cyber risk. Operational losses have increased compared to Q1 2024.

Credit risk [1]

During H1 2024, one of the main factors influencing market behaviour was the uncertainly around the decline of inflation, where the ECB recently cut interest rates slightly while the Federal Reserve and the Bank of England held rates. Other determining factors were the growing geopolitical tensions and the various electoral processes in Europe and Latin America.

Nevertheless, in the current soft-landing scenario with a slight slowdown in inflation, economic activity has not been significantly affected, partially due to strong labour markets and fiscal policies that have been supportive of households and businesses.

Our business model, together with our conservative risk management, help us to maintain a medium-low risk profile even in a less favourable macroeconomic and geopolitical environment.

Key risk metrics

	Net loan-loss provisions [2]				Cost of risk (%) [3]			NPL ratio (%)			NPL coverage ratio (%)		
	Q2'24	H1'24	Chg (%) / H1'23	Chg (%) / Q1'24	H1'24	Chg (bps) / H1'23	Chg (bps) / Q1'24	H1'24	Chg (bps) / H1'23	Chg (bps) / Q1'24	H1'24	Chg (pp) / H1'23	Chg (pp) / Q1'24
Retail	1,564	3,087	(1.3)	4.6	1.03	11	0	3.15	(7)	(9)	60.4	(2.8)	0.3
Consumer	1,055	2,193	21.4	(7.0)	2.17	31	4	4.81	63	(5)	75.9	(12.0)	(0.2)
CIB	56	96	—	39.4	0.15	(4)	1	1.05	(33)	(9)	45.0	8.2	(1.3)
Wealth	10	14	—	147.9	0.05	6	11	0.77	(5)	14	64.6	11.4	3.0
Payments	434	852	(2.8)	6.0	7.03	(8)	14	5.00	(13)	15	149.5	7.4	4.6
TOTAL GROUP	**3,118**	**6,243**	**7.6**	**1.1**	**1.21**	**13**	**1**	**3.02**	**(5)**	**(8)**	**66.5**	**(1.9)**	**0.4**
Europe	532	1,017	(22.7)	9.6	0.39	(3)	(2)	2.25	(11)	(7)	49.1	(1.9)	0.0
DCB Europe	308	584	39.5	12.0	0.72	17	5	2.31	28	5	85.4	(9.0)	(0.7)
North America	908	1,893	21.2	(8.1)	2.23	54	9	3.93	70	(14)	74.3	(15.7)	0.1
South America	1,370	2,748	9.5	2.7	3.50	18	5	5.30	(58)	(7)	81.5	3.7	1.2
TOTAL GROUP	**3,118**	**6,243**	**7.6**	**1.1**	**1.21**	**13**	**1**	**3.02**	**(5)**	**(8)**	**66.5**	**(1.9)**	**0.4**

1. Changes in constant euros.
2. EUR million and % change in constant euros.
3. Provisions to cover losses due to impairment of loans in the last 12 months / average customer loans and advances of the last 12 months.

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

In terms of credit quality:

- The **NPL ratio** stood at 3.02% (-8 bps compared to Q1 2024), mainly driven by higher gross credit risk with customers (total risk), that increased 2% quarter-on-quarter, reaching EUR 1,164 billion, while credit impaired loans remained stable in the quarter at EUR 35,091 million, due to the good performance in Retail.
- **Net loan-loss provisions** rose 8% year-on-year in H1 2024 to EUR 6,243 million, due to the expected normalization in Consumer and increases in Retail in Mexico and Brazil, partially offset by lower levels of provisions in the European Retail portfolio.

  In the quarter, provisions slightly increased (+1%), as lower provisions in the Consumer portfolio in the US offset higher provisions in CHF mortgage portfolio.

  The **cost of risk** was 1.21%, remaining in line with our target for the year, in a context of a slight increase in credit risk exposure in the last 12 months.
- The **total coverage ratio** for credit impaired loans remained flat in the quarter at 66%, with loan-loss allowances of EUR 23,323 million. The coverage ratio remained at comfortable levels considering that 68% of the Group's portfolio backed by quality collateral.

The IFRS 9 stage distribution of the portfolio was largely unchanged in the quarter in percentage terms. Stage 2 balances increased slightly due to changes in the classification criteria, improving our early risk detection systems. It does not significantly affect the total loan-loss provisions.

Coverage ratio by stage

EUR billion

	Exposure[1]			Coverage		
	Jun-24	Mar-24	Jun-23	Jun-24	Mar-24	Jun-23
Stage 1	1,008	1,007	1,011	0.4%	0.4%	0.4%
Stage 2	94	83	75	5.6%	6.3%	7.2%
Stage 3	35	36	35	41.2%	40.5%	41.0%

1. Exposure subject to impairment. Additionally, in June 2024 there were EUR 26 billion in loans and advances to customers not subject to impairment recorded at mark to market with changes through P&L (EUR 19 billion in December 2023 and EUR 18 billion in June 2023).

Stage 1: financial instruments for which no significant increase in credit risk has been 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 (%)	
	Q2'24	QoQ	YoY
Balance at beginning of period	35,637	—	3.5
Net additions	3,296	4.1	4.8
Increase in scope of consolidation	13	—	—
Exchange rate differences and other	(611)	—	—
Write-offs	(3,244)	1.5	6.0
Balance at period-end	**35,091**	**(1.5)**	**0.4**
Loan-loss allowances	**23,323**	**(0.9)**	**(2.4)**
For impaired assets	14,461	0.1	0.9
For other assets	8,862	(2.6)	(7.5)

Our Retail, Consumer, CIB and Payments businesses account for more than 95% of the Group's total portfolio. The performance of the main businesses in Q2 2024 was as follows:

Retail & Commercial Banking

Credit risk exposure
56% of total Group

Retail's portfolio mainly comprises high quality mortgage loans, where 90% of loans have an LTV lower than 80%, and a corporate portfolio in which more than 50% have property collateral or other collateral.

The **NPL ratio** dropped 9 bps in the quarter to 3.15%, driven by the decrease in credit impaired loans, mainly in Europe. On the other hand, gross credit risk with customers (total risk) remained practically flat in the quarter.

Net loan-loss provisions declined 1% year-on-year, mainly due to the positive performance of the European portfolios. Provisions rose 5% quarter-on-quarter, driven by the increases in Brazil and in the CHF mortgage portfolio in Poland.

The **cost of risk** stood at 1.03%, having increased 11 bps year-on-year and remaining stable in the quarter.

The **total coverage ratio** of credit impaired loans was stable quarter-on-quarter at 60%. Given the Retail portfolio includes the mortgage portfolios in Spain and the UK, which have high-quality collateral, we consider the coverage is at appropriate levels for the risk of the portfolio.

Digital Consumer Bank

Credit risk exposure
18% of total Group

The Consumer portfolio mainly comprises auto loans (representing around 80% of the portfolio) through strategic alliances and our leasing business, as well as personal loans with good credit quality.

The **NPL ratio** stood at 4.81%, improving 5 bps quarter-on-quarter. Gross credit risk with customers (total risk) growth compensated the slight increase in credit impaired loans, which stood at EUR 10,280 million, 2% up in the quarter.

Net loan-loss provisions increased 21% year-on-year, affected by the continued normalization in Europe and the US (but still below our historical average). In the quarter, they improved 7% due to lower provisions in the US and Brazil.

The **cost of risk** stood at 2.17%, +31 bps quarter-on-quarter, performing as expected.

The total coverage ratio of credit impaired loans remained stable in the quarter and stood at 76%, a level we are comfortable with, considering more than 80% of the portfolio is auto loans.

Corporate & Investment Banking

Credit risk exposure
21% of total Group

CIB's portfolio consists of high credit quality wholesale customers (more than 85% of which have a rating above investment grade), with a strong advisory component and high value-added solutions.

The **NPL ratio** decreased 9 bps in the quarter to 1.05%, due to the portfolio increases (+5%), mainly in Spain, Poland and North America (supported by business growth in the CIB franchise in the US).

Net loan-loss provisions stood at EUR 96 million versus EUR 7 million in H1 2023 (net releases in Q1 2023). Compared to Q1 2024, they increased EUR 15 million.

The **cost of risk** was stable in the quarter at 0.15%.

The **total coverage ratio** of credit impaired loans declined 1 pp in the quarter to 45%, a level we believe to be adequate considering the credit quality of the portfolio.

Payments

Credit risk exposure
2% of total Group

Payments has a portfolio characterized by a high rapid turnover and high returns that offset its level of risk.

The NPL ratio stood at 5.00% (+15 bps vs. Q1 2024), due to the 2% increase in impaired loans in Cards, mainly in Europe and Brazil. Gross credit risk with customers decreased slightly in the quarter due to PagoNxt.

Net loan-loss provisions, which are mainly concentrated in the Cards portfolio, fell 3% year-on-year, but picked up 6% compared to Q1 2024, mainly driven by Brazil and the UK, partially offset by the decrease in Mexico.

The **cost of risk** rose to 7.03%.

The **total coverage ratio** of credit impaired assets stood at 149% having increased 5 pp in the quarter, remaining at levels we are comfortable with.

Market risk

Markets continue to be conditioned by central banks' monetary policies as well as by geopolitical tensions. Additionally, the elections in Europe and in Mexico have also affected markets, and led to an increase in volatility in the Mexican peso, depreciating against the US dollar.

Stock markets continue to be supported by the resilience of the global economies, while market interest rates remain volatile, impacted by inflation expectations.

Global corporate banking trading activity is focused on serving the needs of our clients. Their risk is measured in terms of daily VaR at 99% and is mainly driven by possible movements in interest rates.

In Q2 2024, the average VaR reached a value of EUR 16 million (EUR 1 million lower than Q1 2024), remaining stable with some occasional bouts of volatility either due to markets or to a higher exposure mainly to interest rates.

By market risk factor, VaR continued to be driven mostly by interest rate risk. VaR figures remain low compared to the size of the Group's balance sheet and activity.

Trading portfolios.[1] VaR by region

EUR million

	2024		2023
Second quarter	Average	Last	Average
Total	**16.4**	**14.9**	**12.1**
Europe	12.2	12.0	9.4
North America	7.7	8.1	3.5
South America	7.9	10.6	8.5

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

Trading portfolios.[1] VaR by market factor

EUR million

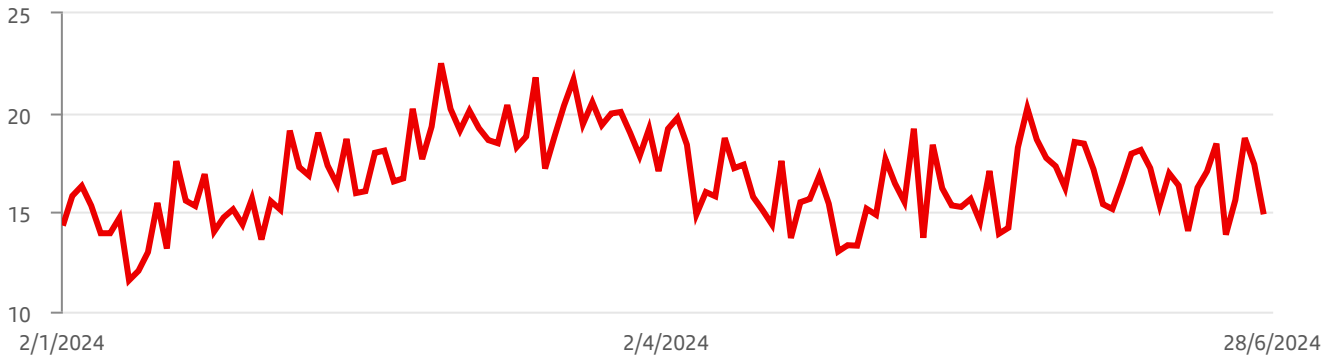
Second quarter 2024	Min.	Avg.	Max.	Last
VaR total	**13.0**	**16.4**	**20.2**	**14.9**
Diversification effect	(12.0)	(17.2)	(23.7)	(19.0)
Interest rate VaR	13.6	17.4	22.3	16.4
Equity VaR	2.8	3.8	5.1	5.1
FX VaR	2.8	5.2	7.7	5.2
Credit spreads VaR	3.6	4.3	5.2	4.3
Commodities VaR	2.3	2.9	3.7	2.8

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



Structural and liquidity risk

Structural exchange rate risk: mainly driven by transactions in foreign currencies relating to permanent financial investments, their results and associated hedges. Our dynamic management of this risk seeks to limit the impact of foreign exchange rate movements on the CET1 ratio. In the quarter, hedging of currencies impacting this ratio remained close to 100%.

Structural interest rate risk: in Q2 2024, market interest rates showed high levels of volatility, conditioned by inflation trends and expectations for the possible monetary policy adjustments by the major central banks. Our structural debt portfolios continued to perform negatively, although our structural interest rate risk remained at comfortable levels during the period.

Liquidity risk: the Group maintained its comfortable liquidity risk position in the quarter, supported by a robust and diversified liquidity buffer, with ratios well above regulatory limits.

Operational risk

Our operational risk profile deteriorated slightly in Q2 2024. In terms of operational risk losses, there was an increase compared to Q1 2024. Legal proceedings and fraud continue to be the main drivers of these losses, which are concentrated in the Group's Retail business.

The Group continuously monitors the evolution of operational risks in general, and technological risk in particular, arising from transformation plans, the services provided by third parties, external fraud and the relevant judicial processes.

Regarding supplier risk and cyber risk, on 14 May 2024, we announced that we became aware of an unauthorized access to a Santander database hosted by a third-party provider. We immediately implemented measures to contain the incident, including blocking the compromised access to the database and establishing additional fraud prevention controls to protect affected customers.

Financial information by segment

Description of segments

As we previously announced, following the creation of two new global segments and in order to align the operating and management model, we adapted our reporting, starting with the financial information for Q1 2024, with global businesses becoming the primary segments.

Main changes to the composition of Santander's segments

The main changes, which apply from 1 January 2024 to the management information for all periods included in the consolidated financial statements, are as follows:

- All of the Group's businesses across all markets were consolidated into five global areas: Retail & Commercial Banking, Digital Consumer Bank, Corporate & Investment Banking, Wealth Management & Insurance and Payments. These became the new primary segments.
- The changes in financial information were:
  - The former Retail Banking was split into two new segments: Retail & Commercial Banking and Digital Consumer Bank. Our cards business now forms part of the new Payments segment.
  - The results of activities mainly related to financial management located in the countries are fully allocated to their global businesses based on the segment that generates the financial position.
  - The local corporate centres are fully allocated to the global businesses.
  - The revenue sharing criteria between global businesses were revised to better reflect the contribution of each business to the Group.
- The former primary segments (Europe, North America, South America and Digital Consumer Bank - which is renamed DCB Europe) became our secondary segments. 2023 published figures for the countries, regions and the Corporate Centre remain unchanged.

All the changes described above have no impact on the reported Group consolidated financial statements.

Composition of Santander's segments

Primary segments

This primary level of segmentation, which is based on the Group's management structure from 1 January 2024, comprises six reportable segments: five operating areas plus the Corporate Centre.

The operating areas are:

Retail & Commercial Banking (Retail): area that integrates the retail banking business and commercial banking (individuals, SMEs and corporates), except for business originated in the consumer finance and the cards businesses.

Digital Consumer Bank (Consumer): comprises all business originated in the consumer finance companies, plus Openbank, Open Digital Services (ODS) and SBNA Consumer.

Corporate & Investment Banking (CIB): this business, which includes Global Transaction Banking, Global Banking (Global Debt Financing and Corporate Finance) and Global Markets, offers products and services on a global scale to corporate and institutional customers, and collaborates with other global businesses to better serve our broad customer base.

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

Payments: the Group's digital payments solutions, providing global technology solutions for our banks and new customers in the open market. It is structured in two businesses: PagoNxt (Getnet, Ebury and PagoNxt Payments) and Cards (cards platform and business in the countries where we operate).

Secondary segments

At this secondary level, Santander is structured into the segments that made up the primary segments until 2023, which are Europe, DCB Europe, North America and South America:

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

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

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 (SBNA), Santander Consumer USA (SC USA), the specialized business unit Banco Santander International, the New York branch and Santander US Capital Markets (SanCap).

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

In addition to these operating units, both at the primary and secondary segment level, the Group continues to maintain the area of the **Corporate Centre**, which 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 of shareholders' equity via issuances.

As the Group's holding entity, this area manages all capital and reserves and allocations of capital and liquidity with the other 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 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.

As explained on the previous page, the results of our segments presented below are provided on the basis of underlying results only and include 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 (i.e. in constant euros), except for Argentina, and any grouping which includes it. Additionally, from Q2 2024 onwards, a theoretical exchange rate has been used for the Argentine peso. For further information, see methodology in the 'Alternative performance measures' section in the appendix to this report.

Certain figures contained in this report, 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-June 2024

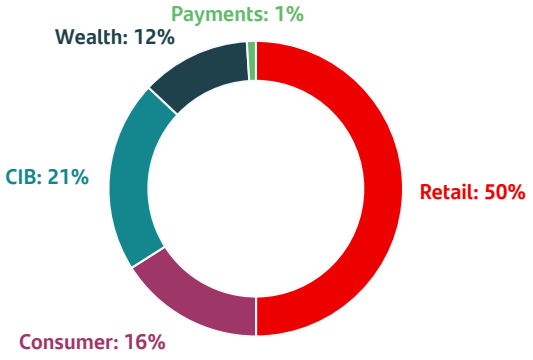
Main items of the underlying income statement

EUR million

Primary segments	Net interest income	Net fee income	Total income	Net operating income	Profit before tax	Profit attributable to the parent
Retail & Commercial Banking	**14,015**	**2,366**	**16,274**	**9,851**	**5,187**	**3,326**
Digital Consumer Bank	**5,364**	**742**	**6,449**	**3,831**	**1,341**	**1,070**
Corporate & Investment Banking	**2,031**	**1,280**	**4,188**	**2,371**	**2,151**	**1,405**
Wealth Management & Insurance	**827**	**719**	**1,789**	**1,173**	**1,130**	**818**
Payments	**1,320**	**1,371**	**2,701**	**1,435**	**306**	**49**
PagoNxt	62	456	583	(18)	(286)	(304)
Cards	1,258	915	2,117	1,452	592	353
Corporate Centre	**(100)**	**1**	**(350)**	**(524)**	**(606)**	**(609)**
TOTAL GROUP	**23,457**	**6,477**	**31,050**	**18,137**	**9,508**	**6,059**
Secondary segments						
Europe	**8,288**	**2,368**	**11,718**	**7,116**	**4,983**	**3,187**
Spain	3,656	1,484	6,065	3,999	2,681	1,756
United Kingdom	2,381	142	2,516	1,065	849	630
Portugal	844	242	1,142	874	834	563
Poland	1,384	339	1,711	1,245	779	386
Other	24	161	284	(68)	(159)	(147)
DCB Europe	**2,187**	**451**	**2,854**	**1,534**	**757**	**453**
North America	**5,247**	**1,300**	**7,039**	**3,686**	**1,586**	**1,347**
US	2,824	539	3,769	1,866	612	664
Mexico	2,421	733	3,244	1,901	1,149	840
Other	2	27	26	(82)	(175)	(158)
South America	**7,835**	**2,358**	**9,790**	**6,324**	**2,788**	**1,681**
Brazil	5,235	1,734	6,984	4,719	1,935	1,141
Chile	824	265	1,187	721	450	253
Argentina	1,423	204	1,020	606	332	266
Other	353	154	599	278	71	22
Corporate Centre	**(100)**	**1**	**(350)**	**(524)**	**(606)**	**(609)**
TOTAL GROUP	**23,457**	**6,477**	**31,050**	**18,137**	**9,508**	**6,059**

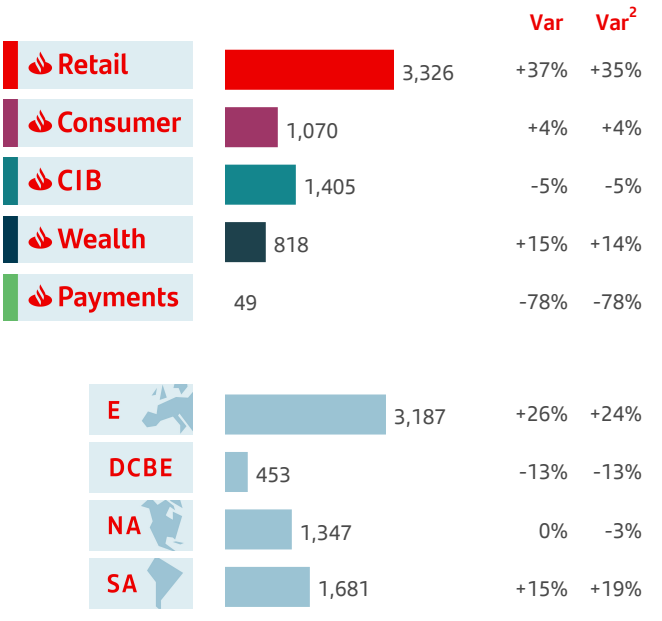
Profit attributable to the parent distribution[1]

H1 2024



Profit attributable to the parent. H1 2024

EUR million. % change YoY



1. As a % of operating areas. Excluding the Corporate Centre.

2. Changes in constant euros.

January-June 2023

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	Profit attributable to the parent
Retail & Commercial Banking	**12,400**	**2,286**	**14,392**	**8,018**	**3,638**	**2,421**
Digital Consumer Bank	**5,024**	**584**	**6,026**	**3,419**	**1,504**	**1,027**
Corporate & Investment Banking	**1,670**	**1,142**	**3,956**	**2,444**	**2,305**	**1,478**
Wealth Management & Insurance	**726**	**625**	**1,589**	**1,005**	**985**	**711**
Payments	**1,194**	**1,472**	**2,613**	**1,400**	**498**	**223**
PagoNxt	31	446	521	(51)	(77)	(103)
Cards	1,162	1,026	2,092	1,452	574	326
Corporate Centre	**(94)**	**(7)**	**(342)**	**(531)**	**(601)**	**(620)**
TOTAL GROUP	**20,920**	**6,103**	**28,234**	**15,755**	**8,329**	**5,241**
Secondary segments						
Europe	**7,565**	**2,244**	**10,464**	**6,081**	**3,888**	**2,536**
Spain	3,161	1,413	5,113	3,074	1,679	1,132
United Kingdom	2,583	167	2,759	1,395	1,127	818
Portugal	575	235	824	559	484	321
Poland	1,209	289	1,509	1,105	657	321
Other	37	140	259	(52)	(59)	(57)
DCB Europe	**2,040**	**394**	**2,658**	**1,344**	**928**	**521**
North America	**4,931**	**1,077**	**6,417**	**3,357**	**1,739**	**1,346**
US	2,901	390	3,624	1,825	762	667
Mexico	2,027	663	2,763	1,600	1,048	760
Other	3	23	30	(68)	(71)	(81)
South America	**6,477**	**2,395**	**9,037**	**5,504**	**2,376**	**1,458**
Brazil	4,285	1,675	6,281	4,073	1,410	823
Chile	727	316	1,229	708	531	330
Argentina	1,138	282	1,029	508	308	252
Other	327	122	499	214	127	53
Corporate Centre	**(94)**	**(7)**	**(342)**	**(531)**	**(601)**	**(620)**
TOTAL GROUP	**20,920**	**6,103**	**28,234**	**15,755**	**8,329**	**5,241**

Retail & Commercial Banking

Underlying attributable profit

EUR 3,326 mn

→ To support our vision of becoming a **digital bank with branches**, we continued to drive our **ONE Transformation** programme forwards with the implementation of a common operating model and the rollout of our global technological platform.

→ **Loans** decreased 1% year-on-year in constant euros due to lower mortgage and SME balances in Europe, partially offset by increases in South America and Mexico. **Deposits** rose 2% in constant euros.

→ **Attributable profit of EUR 3,326 million**, increasing 37% year-on-year (+35% in constant euros) driven by the good revenue performance, efficiency gains from our transformation programme and lower provisions in Europe.

Strategy

In Q2 2024, we advanced in our strategic priorities:

- Implement a **common operating model**, leveraging the Group's global scale and our local presence. Our vision is to make Santander into a digital bank with branches, offering all our products and services digitally through our own global platform and use our branch network to advise and help our customers.
- We have almost 143 million customers who can access most of our products and services digitally. Sales through our web and apps and digital customers continued to rise at a good pace.
- We have a network of more than 8,000 branches, present in 12 markets. Branches continued to strengthen their role as an essential driver of sales and advisory, reducing operational activities thereby increasing their focus on commercial functions and supporting customers.
- Continue our **transformation** efforts, based on three pillars:
- **Customer experience**. We reduced the number of products by 20% year-on-year, as part of our commitment to offer a simple and attractive product portfolio that provides the best experience for our customers. We also continued to innovate our catalogue of products and services through different initiatives. Of note in the quarter was the new simpler and competitive campaign in Brazil, which targets individuals, and complements our new digital and customer-oriented service model.
  - **Operational leverage**. Year-on-year, we have reduced the number of resources dedicated to non-commercial activities per million customers by 8% and resources dedicated to operational activities per million customers by 18%, supported by economies of scale, process automation and organization simplification. This has freed up time to focus on value added activities. Process digitalization and cash management optimization in branches are some examples of what we have achieved.
  - **Global Technology Platform**. Our goal is to leverage the Group's scale and roll out a global platform. This platform is based on our back-end Gravity technology and on ODS's in-house, cloud-based technology for our apps and websites.

    In Q2 2024, we successfully implemented our Gravity platform in the US, which is also operative at the Group level in the UK, Spain, Mexico, Brazil and Chile. The volume of transactions running through Gravity continued to grow, increasing 20% year-on-year. Finally, the app is available in Spain, Portugal and Poland and we will launch it in the UK, Brazil and Colombia during the year.
- We continue to drive **profitable growth** and structural **efficiency** improvements. New digital processes to attract customers, a more targeted offer and enhanced customer experience drove further customer growth (+4% year-on-year). The efficiency which the global platform's scale provides, together with increased simplification and process automation were significant drivers of these results.

Retail. Customers. June 2024

Thousands and year-on-year change

	Retail	Europe			North America		South America	
Total customers	142,913	46,239	14,972	22,430	20,960	20,946	75,715	65,834
	+4%	+2%	+3%	0%	+3%	+3%	+5%	+5%
Active customers	77,176	28,585	8,488	13,714	10,592	10,578	37,999	31,344
	+3%	+2%	+6%	-1%	+7%	+7%	+2%	0%

Business performance

Loans and advances to customers decreased 2% year-on-year. Excluding reverse repos and in constant euros, gross loans fell 1%, due to decreases in individuals and SMEs despite growth in corporates.

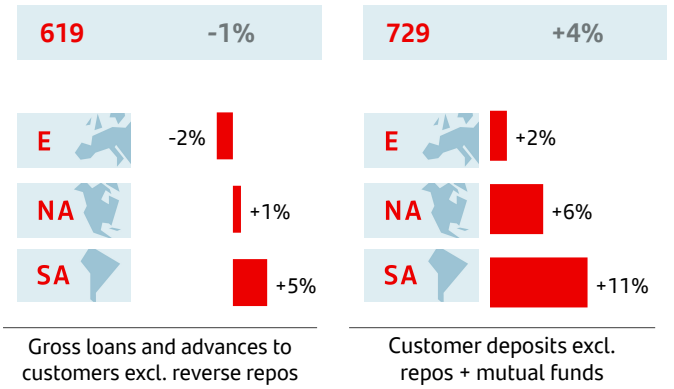
In individuals, mortgage balances fell both in the UK (in line with our strategy) and in Spain, still impacted by prepayments (but new business volumes are picking up). This was partially offset by increases in Poland, Brazil, Mexico and Chile. Personal loans performed well in Brazil (double-digit growth), Spain, Poland and Mexico.

SME loans decreased mainly due to declines in Spain, the UK and Portugal, partially offset by higher volumes in Brazil and Poland. Corporate loans rose, driven by Spain, Brazil, Mexico and Poland.

Customer deposits decreased 1% year-on-year. Excluding repurchase agreements and in constant euros, they rose 2%, with increases in time deposits (+9%, especially in individuals and SMEs) and mutual funds (+22%, mainly in individuals) due to the current interest rate environment. As a result, customer funds increased 4% in constant euros.

Retail. Business performance. June 2024

EUR billion and YoY % change in constant euros



Gross loans and advances to customers excl. reverse repos

Customer deposits excl. repos + mutual funds

Results

Attributable profit in **H1 2024** was EUR 3,326 million, 37% higher year-on-year. In constant euros, profit rose 35% year-on-year, as follows:

- Total income increased 12%, driven by net interest income, net fee income and gains on financial transactions which more than offset the higher negative impact of the hyperinflation adjustment in Argentina. SRF contributions ended in 2023, therefore there is no contribution in 2024.

  Net interest income increased 12%, with increases in most countries, but especially in Spain and Portugal (due to good margin management), in Poland (higher activity and lower cost of deposits), in Brazil and Chile (higher volumes and deposit costs in a context of falling interest rates) and in Argentina (with double-digit growth). The exceptions were the UK (lower mortgage loans and higher deposit costs) and the US (lower volumes).

  Our more targeted products and services offer boosted net fee income growth (+3%) mainly in Brazil (insurance fees and FX), Mexico (insurance and mutual funds), Poland (FX and funds) and in the US (real estate portfolio servicing fees with the FDIC).

- Costs remained flat year-on-year (-4% in real terms), reflecting transformation efforts through organizational simplification, process automation and global platform implementation. Of note were the performances in the US (-7%), Spain (-2%) and Argentina.

  These transformation efforts, together with the strong revenue growth, contributed to a 4.8 pp efficiency ratio improvement year-on-year to 39.5%.

- Net loan-loss provisions fell slightly (-1%), due to a positive performance in Europe, mainly in Spain (credit quality improvement) and in the UK (macro improvement), which offset greater provisions in Brazil due to higher activity and the normalization in Mexico and Chile.

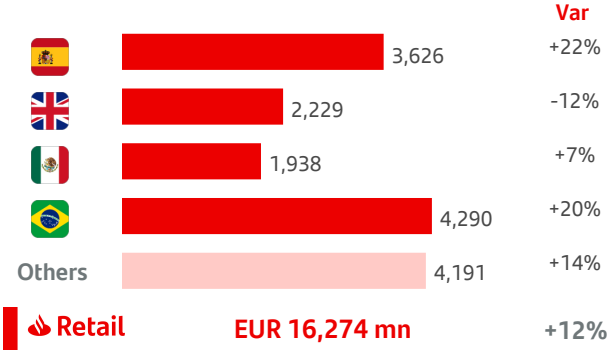
  The cost of risk was 1.03% (compared to 0.92% in June 2023 and was stable versus 1.02% in December 2023). The NPL ratio stood at 3.15% (3.22% in June 2023).

RoTE in H1 2024 was 17.4% (18.1% annualizing the impact of temporary levy on revenue earned in Spain).

Compared to Q1 2024, attributable profit grew 22% in constant euros, with variations across the income statement impacted by the use of the new Argentine peso exchange rate and temporary levy on revenue earned in Spain in the first quarter. Excluding the temporary levy and Argentina, attributable profit would have increased 4% quarter-on-quarter due to good performance of net interest income and cost reduction.

Retail. Total income. June 2024

EUR million and YoY % change in constant euros



Retail. Underlying income statement

EUR million and % change

	Q2'24	/ Q1'24 %	/ Q1'24 FX	H1'24	/ H1'23 %	/ H1'23 FX
Total income	8,226	+2	+3	16,274	+13	+12
Expenses	-3,119	-6	-5	-6,423	+1	0
Net operating income	**5,107**	**+8**	**+9**	**9,851**	**+23**	**+21**
LLPs	-1,564	+3	+5	-3,087	-1	-1
PBT	2,810	+18	+19	5,187	+43	+40
Attributable profit	**1,824**	**+21**	**+22**	**3,326**	**+37**	**+35**

Detailed financial information in appendix.

Digital Consumer Bank

Underlying attributable profit

EUR 1,070 mn

→ Our priority is to continue expanding our **leadership in consumer finance** across our footprint, **converging towards a more digital global operating model and implementing enhanced solutions** (check-out lending, digital journeys in auto lending and operational leasing) through common platforms.

→ **Loans increased 6% year-on-year in constant euros, +8% in auto** in a market that is starting to recover. **Deposits rose 14%** in constant euros, in line with our strategy aimed at lowering funding costs and reducing net interest income volatility across the cycle, to be able to offer our customers better pricing.

→ **Attributable profit reached EUR 1,070 million in H1 2024, a 4% increase year-on-year** in both euros and constant euros, mainly driven by the solid net interest income and net fee income performances and cost control, despite the cost of risk normalization towards pre-pandemic levels.

Strategy

Digital Consumer Bank (Consumer) is a leading consumer finance company globally. It operates in 26 countries in Europe and the Americas and it serves the financing needs at the point of sale (both physical and digital) of 25 million customers. It combines our auto financing business, where we are the world leaders, our consumer lending business supported by Zinia and Openbank's advanced digital and retail banking capabilities.

The vision for Consumer is to **become the preferred partner of our end customers and partners, offering greater profitability and value creation.**

To respond to the changes the mobility and consumer finance ecosystem is undergoing and to support our aim of becoming Santander's platform to expand into new markets, we continue **to transform our operating model**:

- **Offering global and best-in-class solutions,** integrated into our partners' (OEMs, importers or retailers) processes, accompanying them as their increasingly digital business models evolve. We continue to work on improving local relationships with manufacturers to achieve global agreements.
- **Simplifying and automating** our processes to improve customer experience and increase scalability.
- Building and **developing global platforms** such as the leasing platform in auto, already operative in three European markets having expanded its functionalities in H1 2024, and Zinia's technology in check-out lending, operative in Germany.

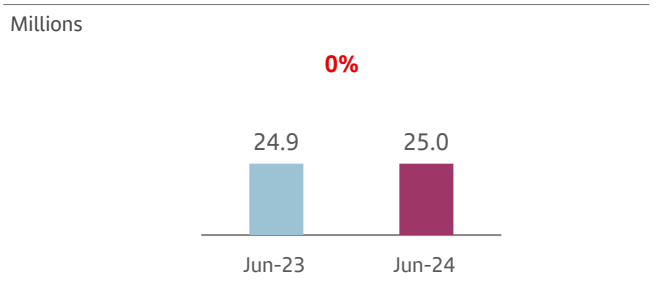
As part of our profitable growth strategy, we continue to capture deposits to increase NII stability and funding autonomy and boost growth while we also actively manage our balance sheet to make it more capital light. We launched our digital deposit gathering activities in January 2024 in the Netherlands and continue to work on expanding Openbank to other markets.

In the quarter, we made progress with our strategic priorities:

- **In Europe**, we are focusing on the transformation of the operating model with the aim of recovering pre-pandemic profitability levels, while providing the best services to our partners. To achieve this, we continue to pursue and develop commercial opportunities, such as strengthening our operational leasing solution or launching instalment loans with Apple through Zinia in Germany.

  Moreover, we continue to simplify our operating model, having moved from one platform per country to three, towards our final goal of having one common platform.
- **In the US,** our focus is on recovering pre-pandemic profitability, driving efficiency savings and improving our service. In H1 2024, we continued to incorporate new strategic agreements in auto and prepare the launch of Openbank in H2 2024.
- **In Latin America**, our aim is to continue driving greater profitable growth where there are large commercial opportunities at good profitability levels. In Mexico, we plan to launch Openbank with a full value proposition to compete with other neobanks.

Consumer. Total Customers



Business performance

After a difficult environment in previous years, H1 2024 showed signs of recovery resulting from inflation moderation, lower interest rate expectations and auto sales growth in our main markets.

In this environment, new lending increased 8% year-on-year, with solid growth across our main markets, especially in South America (led by Brazil). We continued to prioritize new business profitability over volumes growth in a high interest rate environment which is supporting the progressive RoRWA improvement.

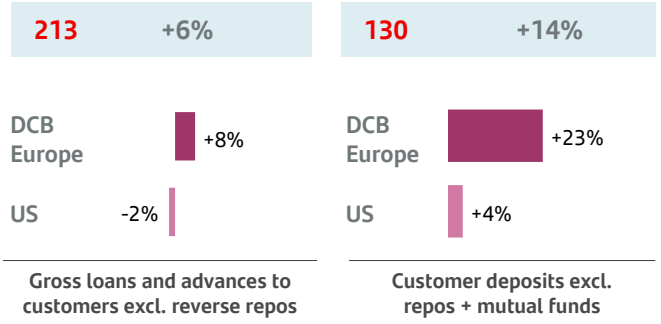
The stock of loans and advances to customers rose 7%. In gross terms, excluding reverse repos and in constant euros, they were 6% up year-on-year, driven by Europe and Latin America.

We have a EUR 17 billion leasing portfolio which increased 2% year-on-year in constant euros, as growth in DCB Europe more than offset a decline in the US due to higher volumes of repurchases by dealers and despite increased electric vehicle activity.

Customer deposits, which accounted for 57% of Consumer's total funding, increased 15% year-on-year. Excluding repos and in constant euros, they grew 14%, in line with our deposit gathering strategy. By market, they rose 24% in DCB Europe and 3% in the US. Mutual funds also increased, albeit from very low levels. Our access to wholesale funding markets remained strong and diversified.

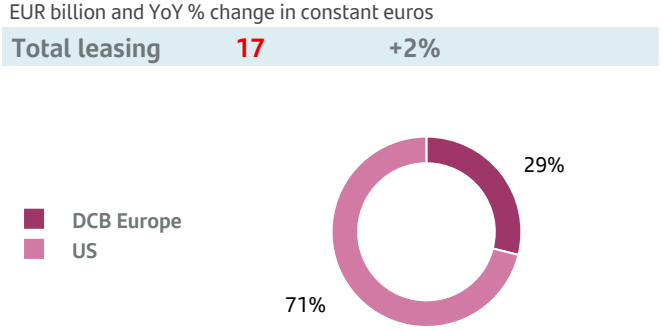
Consumer. Business. June 2024

EUR billion and YoY % change in constant euros



Consumer. Leasing portfolio. June 2024

EUR billion and YoY % change in constant euros



Results

In **H1 2024,** attributable profit reached EUR 1,070 million, 4% higher than H1 2023. In constant euros, profit also increased 4%. By line:

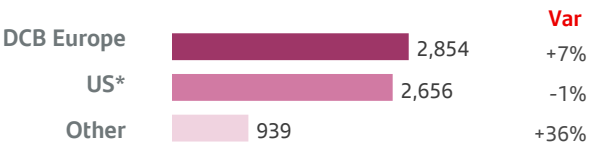
- Total income improved 7%, mainly due to net interest income, which also rose 7%, supported by our active asset repricing actions and volumes growth in Europe, and higher volumes and lower interest rates in Brazil. However, performance in the US was weaker due to lower credit volumes which were offset by higher yields.

  Net fee income also increased strongly, rising 27% in the period, driven by growth in Europe due to increased insurance penetration (particularly in Germany), in Brazil driven by volumes growth, and in the US in part due to auto fees.

  Other revenue fell 18% due to lower gains on financial transactions in Europe (from high levels in 2023), the greater impact of the hyperinflation adjustment in Argentina and lower leasing income in the US due to lower volumes and passing on fiscal benefits (recorded in the tax line) from electric vehicle leasing to prices.

Consumer. Total income. June 2024

EUR million and YoY % change in constant euros



* Year-on-year growth in revenue in the US of +1% if we include the impact of the EV incentives in the tax line.

- Costs remained flat, reflecting our efficiency and transformation efforts. This is particularly evident in the US where costs declined 8% and in DCB Europe where they were flat despite our strategic investments in leasing and check-out lending platforms and business growth. As a result, the efficiency ratio improved 2.7 pp to 40.6%.
- Net loan-loss provisions increased 21%, affected by continued normalization in Europe and the US towards pre-pandemic levels (but still below our historical average) and higher volumes. Additionally, we increased the coverage of our CHF mortgage portfolio, there were lower portfolio sales than in 2023 and we recorded some regulatory charges. Credit quality remained controlled with the cost of risk at 2.17% and the NPL ratio at 4.81%.

RoTE in H1 2024 was 12.8% (13.0% annualizing the impact of the temporary levy on revenue earned in Spain).

Compared to **Q1 2024**, profit rose 31% in constant euros driven mainly by lower LLPs in the US (which more than offset higher provisions related to the CHF mortgage portfolio in Poland), and also by continued positive trends in total income, stable costs and the temporary levy recorded in Q1. There was some negative impact from the new peso exchange rate in Argentina in the quarter, particularly in NII which fell 2% (+1% excluding Argentina) mitigated by a positive impact in other income, with little impact on the bottom line.

Consumer. Underlying income statement

EUR million and % change

		/ Q1'24			/ H1'23	
	Q2'24	%	FX	H1'24	%	FX
Total income	3,264	+2	+3	6,449	+7	+7
Expenses	-1,307	0	0	-2,618	0	0
Net operating income	**1,957**	**+4**	**+5**	**3,831**	**+12**	**+12**
LLPs	-1,055	-7	-7	-2,193	+22	+21
PBT	722	+17	+17	1,341	-11	-11
Attributable profit	**606**	**+31**	**+31**	**1,070**	**+4**	**+4**

Detailed financial information in appendix.

Corporate & Investment Banking

Underlying attributable profit
EUR 1,405 mn

→ We continue making our **centres of expertise more sophisticated,** deepening client relationships with focus on our **Global Markets plan** to build institutional wallet share, the **US Banking Build-Out strategy,** and **actively managing capital.**

→ **Strong activity year-on-year,** mainly supported by Global Banking (Global Debt Finance and Corporate Finance) and Global Markets as we execute our growth initiatives, and, to a lesser extent, in Global Transaction Banking.

→ **Attributable profit reached EUR 1,405 million, a 5% drop year-on-year (in euros and in constant euros).** A record first half revenue was offset by higher costs related to investments in the development of new capabilities, and higher provisions. Nevertheless, we maintained a leading position in efficiency and profitability.

Strategy

Innovation will continue to transform the global economy and shape competition as new technology develops. In this changing environment, the corporate and investment banking industry will continue to coexist with fintechs, digital assets and new digital players (e.g. virtual asset services providers), presenting collaboration opportunities within new sectors.

Substantial transition finance opportunities remain in ESG (e.g. Inflation Reduction Act, Net Zero initiatives) and certain sectors are expected to present significant financial needs, namely infrastructure, energy, life sciences, healthcare and technology.

At Santander, we are well prepared to capitalize on these opportunities, given our unique combination of global approach and local leadership, which we demonstrate through our position in various rankings.

We continue to make progress in the execution of our strategy to become a world-class CIB business, positioning ourselves as a trusted advisor to our clients while delivering profitable growth and maintaining dynamic capital management.

In H1 2024, we continued to make progress across our priorities:

- We are making our **centres of expertise more sophisticated**, with important reinforcements in sales, trading and banking across the businesses:
  - In Global Banking (GB), we complemented our Global Industrials Group (GIGs) product offering through hires in Chemicals, US Specialty Finance, Paper & Packaging and Technology.
  - In Global Markets (GM), we continue to execute our plan to increase activity with our corporate and institutional clients and further leverage technology. We have bolstered our institutional and leveraged loan sales teams. We also brought in traders for rates, FX and US inflation-linked derivatives.

    As a result, we are starting to reap the rewards of our investments in 2023, with solid performance in institutional sales in Europe and the US.

    As well as investing in markets infrastructure, we are focused on increasing revenue from cross-border flows and on supporting the US Banking Build-Out (US BBO) initiative, with enhanced trading and distribution capabilities, mainly in Leveraged Finance, Strategic Equity Solutions and Convertible Bonds.

- We are **deepening our client relationships** with a particular focus on the US, where we are taking our CIB franchise to the next level through the execution of the US BBO initiative, selectively expanding our client universe and product capabilities in areas adjacent to our strengths.

  We have already made progress in targeting untapped wallets in M&A, Equity and Debt Capital Markets (ECM and DCM) and Leveraged Finance. Our new global Leveraged Finance franchise is helping us to create deeper relationships, especially in the US and EMEA, and leading to follow-on business opportunities

  The collaboration plan for US BBO is already providing results and numerous 'firsts' as platforms come online and coverage teams are ramped up. Examples of this are: we closed the first corporate share buyback for a US company and we were appointed first global coordinator win for a US-listed IPO for the first time. In DCM, large US companies have relied on CIB for USD placements, and we are leading the reverse yankee bond market.

  In Mexico, we are capitalizing on business opportunities leveraging our GM and US BBO initiatives, creating significant partnerships within the MEX-US corridor.

- We continued to **actively manage capital** through our Originate-to-Share model to drive forward industrial scale capital recycling. This has contributed to a limited increase in our capital consumption despite our business growth, enabling us to continue to deliver high profitability ratios.

Recent awards

IJ Global	*PFI*
Gigafactory Deal of the Year in Europe	Bank of the Year in Europe
Renewables Deal of the Year (onshore and offshore wind) in North America	Petrochemical Deal of the Year in APAC and EMEA
Proximo	***Global Finance***
LatAm Bank of the Year	Best Bank for Cash Management and for Payments in LatAm
LatAm PPP Deal of the Year	

Leading positions in League Tables H1 2024

Structured Finance	Debt Capital Markets
Green Global	
Equity Capital Markets	**ECAs** / **M&A**

Business performance

A high proportion of CIB's activity is customer related (84% of total income). Moreover, we have a high and growing percentage of capital-light activity and we actively manage our balance sheet, as reflected in our total revenue to risk-weighted assets ratio, which has improved 1.1 pp since 2022 to 7.0%.

Customer loans, which are concentrated in our Global Transaction Banking (GTB) and GB businesses, increased 11% year-on-year. In gross terms, excluding reverse repos and in constant euros, they increased 7%. Customer deposits rose 6% year-on-year. Excluding repos and in constant euros, they fell 6%, mainly driven by strategy changes to reduce excess corporate deposits.

By business line, we had the following performance:

- In **Global Transaction Banking,** strong increase in Export Finance, while Trade & Working Capital Solutions remained flat, partially offset by slightly lower activity year-on-year in Cash Management, affected by interest rate cuts, mainly in Latin America.

  Trade & Working Capital Solutions continued to implement innovative trade solutions within the corporate segment, such as Trade Select, our integrated global supply chain finance platform.

  We once again led the Export Finance market, especially in the sustainable technology sector, where we were awarded the Export Finance Deal of the Year for Baltic Power (offshore wind farm in Poland).

- **Global Banking** showed significant growth year-on-year in both Global Debt Financing (GDF), with DCM gaining market share in Europe, Latin America and the US, and Corporate Finance (CF) continuing to benefit from positive market momentum.

  In GDF, Fund Financing performed well, as many funds re-leveraged their portfolios and big players continued to raise funds. CIB remains consistently among the top 3 European lead managers across all core securitized products. Structured Finance remained flat despite the lower activity in refinancing and greenfield projects compared to last year.

  In CF, we closed several 'first' transactions in Leveraged Finance and ECM, while our M&A activity continues to span all sectors. Our role as one of MásMóvil's financial advisors was key in the completion of its joint venture with Orange.

- In **Global Markets**, we had good activity levels, mainly in Europe, where the institutional platform and the investments in human capital and technology are paying off. We had strong activity in rates, credit and securitized products. We saw significant growth in the US, where the US BBO is starting to show results across different businesses, with notable transactions closed, particularly in Equity Derivatives.

Results

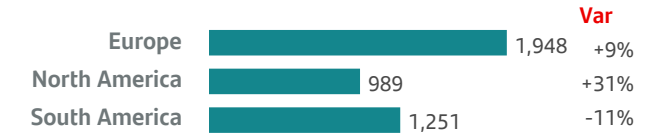
Attributable profit in **H1 2024** decreased 5% year-on-year to EUR 1,405 million. In constant euros, it also fell 5%, with the following detail:

- Total income rose 6% year-on-year, backed by double-digit growth in net interest income and net fee income, achieving record revenue in H1 2024. SRF contributions ended in 2023, therefore there is no contribution in 2024. Net interest income grew 22% boosted by GB, due to increased Leveraged Finance activity in CF and good performance in GDF. Net fee income grew 12%, particularly in GB on the back of the US BBO initiative. Gains on financial transactions fell due to lower results in Global Markets, especially in Brazil in a weak market.

  By region, good revenue performance in North America and Europe, partially offset by a decrease in South America due to weaker activity mainly in Brazil.

CIB. Total income by region. June 2024.

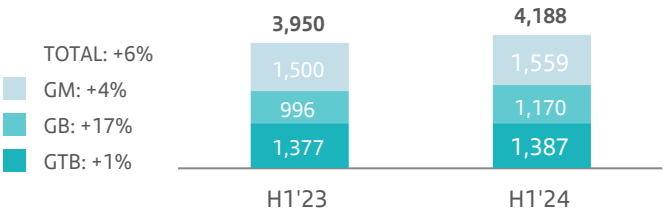
EUR million and % change in constant euros



By business, revenue growth was mainly driven by GB (+17%), on the back of strong activity in both GDF and CF, benefitting from the ramp-up of our investments. Revenue also rose in Global Markets and GTB (+4% and +1%, respectively) from high levels in 2023.

CIB. Total income by business. June 2024.

EUR million and % change in constant euros



Note: total income includes less material revenue from other activities (EUR 76 million in H1'23 and EUR 72 million in H1'24).

- Costs increased 20% due to our investments in new products and capabilities, as we invest for future growth. The efficiency ratio stood at 43.4% and remained one of the best in the sector.
- Net loan-loss provisions amounted to EUR 96 million, up from very low levels in H1 2023 (EUR 7 million due to releases at the beginning of 2023).

RoTE was 19.0% in H1 2024 (19.1% annualizing the impact of the temporary levy on revenue earned in Spain), supported by our efforts in active capital management.

Compared to **Q1 2024,** attributable profit remained flat in constant euros, impacted by seasonality in revenue, interest rate cuts in some countries affecting net interest income and higher costs.

CIB. Underlying income statement

EUR million and % change

		/ Q1'24			/ H1'23	
	Q2'24	%	excl. FX	H1'24	%	excl. FX
Total income	2,076	-2	-1	4,188	+6	+6
Expenses	-930	+5	+5	-1,817	+20	+20
Net operating income	**1,146**	**-6**	**-6**	**2,371**	**-3**	**-3**
LLPs	-56	+38	+39	-96	—	—
PBT	1,044	-6	-5	2,151	-7	-6
Attributable profit	**700**	**-1**	**0**	**1,405**	**-5**	**-5**

Detailed financial information in appendix.

Wealth Management & Insurance

Underlying attributable profit

EUR 818 mn

→ We continue building the **best wealth and insurance manager in Europe and the Americas** supported by our **leading global private banking platform** and our best-in-class **funds and insurance product factories** that leverage our scale and global capabilities to offer the best value proposition to our customers.

→ Total **assets under management** at record levels of **EUR 480 billion**, +13% year-on-year, due to excellent commercial dynamics both in Private Banking and SAM. In Insurance, **gross written premiums** reached **EUR 6.1 billion in H1 2024**.

→ **Attributable profit amounted to EUR 818 million**, 15% higher year-on-year (+14% in constant euros), with an **RoTE of 79%**.

Strategy

Wealth Management & Insurance business was established in 2017 with the aim of enhancing its service model and value proposition as part of a common platform that leverages Santander's scale and capabilities.

Since then, it has been a relevant growth driver for the Group through its three businesses, delivering consistent double-digit growth and generating around one third of the Group's total fees, including those ceded to the commercial network.

- **Santander Private Banking (PB)** is our leading global platform serving private banking clients across 11 countries. We have a best-in-class service model and value proposition connecting clients and countries through a single platform.
- **Santander Asset Management (SAM)** is our global asset manager, which manufactures investment solutions for retail and institutional customers, with presence in more than ten countries and over 50 years of experience. SAM makes the most of its local client knowledge and global capabilities to provide customers the best investment opportunities.
- **Santander Insurance** provides protection solutions following a model based on strategic alliances with leading insurance companies, that enables us to have a comprehensive value proposition across 12 countries. We pair this with in-person and digital distribution capabilities to better serve our clients.

We continued with focus on the following strategic initiatives:

- In **Private Banking**, we already have a best-in-class global platform leading investment flows between Latin America, Europe and the US. Going forward, we are developing key growth opportunities to expand our footprint, such as in the Middle East where we have established a branch in the Dubai International Financial Center.

  We also continue to complete our sophisticated value proposition to make the most of our connectivity between countries and segments, which exceeded EUR 3.3 billion in total alternatives commitments and more than EUR 52 billion in fee-based mandates.

  During Q2 2024, we were named the Best Global Private Bank for Cyber Security by the *Professional Wealth Management Magazine*, a *Financial Times* publication.

- In **SAM**, we operate as a global asset manager leveraging our scale, global investment capabilities and product distribution hubs. In terms of retail distribution, we are implementing an advisory model, having established common investment views across all countries, supported by a global platform offering enhanced customer experience.

  In terms of our Alternatives business, we are working on completing our value proposition while improving our scale. We already have EUR 3.1 billion of total global commitments across four different investment strategies: Private Debt, Infrastructure & Energy, Real Estate and Fund of Funds.

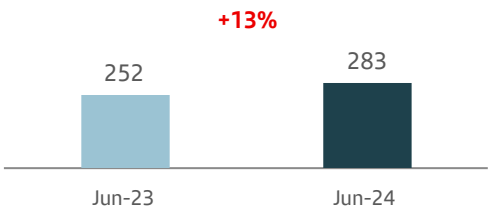
  The main awards received by SAM during Q2 2024 include the Best Solidarity Fund in Spain by *Expansion-Allfunds* as well as being the asset manager with most awards at the *Salmon* awards in Chile with five prize-winning funds.

- In **Insurance**, we are delivering more value to our customers and simplifying our operations. In addition to our traditional focus on life and home businesses, we are shifting our mix towards higher growth verticals such as savings, health and SMEs, having launched the new health value offer (OneCare in Portugal and the UC Christus in Chile), and a new Unit Linked offer in Chile and Mexico.

  Additionally, we are focused on improving customer growth and loyalty by developing fully digital servicing and claims capabilities while work is underway to maximize the value of our customer portfolio. Finally, we are also developing global platforms such as the new Latin American Autocompara, an integration of our motor insurance comparison engines in our Latin American markets, to capture additional business and unlock synergies.

Private Banking clients

Thousands



Wealth awards



Business performance

Total assets under management (AuMs) at record levels of EUR 480 billion, +13% when compared to June 2023 and +7% versus year end 2023, driven by excellent commercial activity and positive market performance. In terms of Insurance, gross written premiums reached EUR 6.1 billion with positive results from the non-related business. By business and in constant euros:

- In **Private Banking**, customer assets and liabilities exceed EUR 315 billion for the first time (+13% year-on-year), with all product categories growing. This is the result of very positive commercial activity, with net new money totalling EUR 11.9 billion in H1 2024.

  We remain close to our clients, offering them the benefits of our scale and international presence, resulting in our client base growing 13% year-on-year to 283,000.

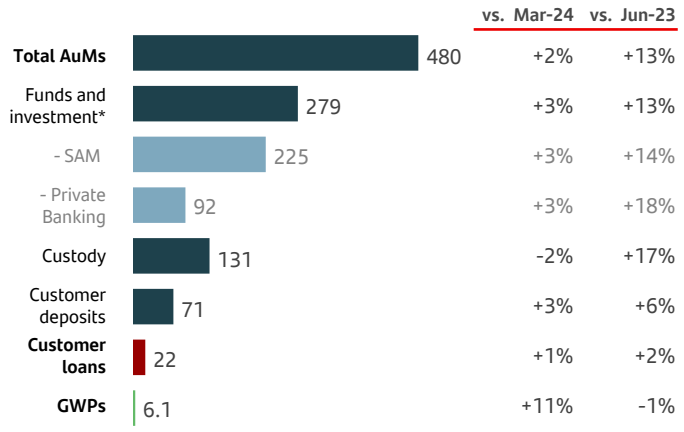
- In **SAM**, total assets under management reached EUR 225 billion, +14% year-on-year, on the back of high commercial activity, with net sales in H1 2024 reaching EUR 8.9 billion, and favourable market performance.

  As a result of this remarkable activity, we are delivering market share growth in most of the countries where we operate while being in the top 3 in terms of market share in the majority of them.

- In **Insurance**, gross written premiums amounted to EUR 6.1 billion, slightly down despite the good performance in non-related business which is growing 4% year-on-year.

Wealth. Business performance. June 2024.

EUR billion and % change in constant euros



Note: total products marketed, advised, under custody and/or managed.
*Excluding overlaps between PB and SAM (PB clients with investment funds managed by SAM).

Results

Attributable profit in **H1 2024** amounted to EUR 818 million, 15% higher year-on-year. In constant euros, it grew 14%, with the following results by line:

- Total income reached EUR 1,789 million, 12% higher year-on-year supported by solid growth in net fee income and net interest income.

  Net interest income increased 13% driven by a favourable macro environment, solid interest margin management and strong commercial activity in Private Banking.

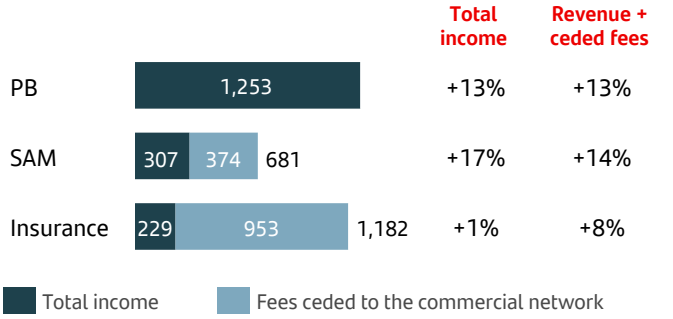
  Net fee income rose 15% year-on-year to EUR 719 million, with growth in all three business, boosted especially by Private Banking and SAM, driven by higher volumes with positive commercial activity and market performance.

- Costs increased 5% year-on-year, due to investments in key initiatives such as reinforcing PB teams to respond to increased commercial activity.

Also considering fees ceded to our commercial network, total revenue including these ceded fees reached EUR 3,116 million, up 12%, driven by more recurrent activity in PB, higher volumes in SAM and the good performance of the protection business in Insurance.

Wealth. Total income. H1 2024.

EUR million and % change in constant euros



Note: information at the total Wealth level excludes overlaps between businesses.

When considering these ceded fees along with our PAT, the total contribution to Group profit (PAT+Fees) reached EUR 1,714 million, up 12% year-on-year (also +12% in constant euros).

H1 2024 RoTE was 79.3% (80.4% annualizing the impact of the temporary levy on revenue earned in Spain).

Compared to **Q1 2024**, attributable profit increased 4% in constant euros due to good revenue performance, mainly in Insurance, with controlled cost growth and after recording in Q1 2024 the impact of the temporary levy on revenue earned in Spain.

Wealth. Underlying income statement

EUR million and % change

		/ Q1'24			/ H1'23	
	Q2'24	%	FX	H1'24	%	FX
Total income	897	+1	+1	1,789	+13	+12
Expenses	-309	+1	+1	-615	+5	+5
Net operating income	**588**	**0**	**+1**	**1,173**	**+17**	**+16**
LLPs	-10	+147	+148	-14	—	—
PBT	573	+3	+3	1,130	+15	+14
Attributable profit	**417**	**+4**	**+4**	**818**	**+15**	**+14**

Detailed financial information in appendix.

Payments

Underlying attributable profit
EUR 49 mn

→ **PagoNxt and Cards bring a unique position in the payments industry to the Group, covering both sides of the value chain of card payments (issuing and acquiring businesses) and account payments.**

→ **Activity increased in both businesses supported by global platform development, enabling further scale gains. In PagoNxt, Getnet's Total Payments Volume (TPV) rose 12% year-on-year in constant euros and the number of transactions improved 7%. In Cards, turnover increased 5% year-on-year in constant euros and transactions rose 8%.**

→ **Attributable profit was EUR 49 million, EUR 292 million (+30% YoY in constant euros) excluding write-downs after discontinuing our merchant platform in Germany and Superdigital in Latin America. The EBITDA margin in PagoNxt improved 8.9 pp to 20.1%.**

PagoNxt and Cards strategy

PagoNxt continued to make progress in its key strategic priorities:

- In **Getnet,** we continued to consolidate our platform. We deployed new global solutions which are enabling us to gain market share across most of our footprint.

  In addition, as part of our transformation in merchant in Europe, we remain focused on our current value proposition in Spain and Portugal, working with local partners in other European markets and doubling down in our strategic markets in Latin America. In line with this strategy, in June we decided to discontinue our merchant platform in Germany.

- In **Ebury,** we continued our expansion by developing specialist vertical-specific solutions, such as mass payments, accelerating the geographical expansion in emerging markets such as South Africa, expanding its product suite, especially FX risk management solutions, and continuously evolving online capabilities to better serve our customers.

- In **PagoNxt Payments,** we made progress in the development of Payments Hub, our modern global A2A payments processing platform, aiming to achieve an industry-leading cost per transaction combined with value-added services. Our goal is to deploy all these services to benefit both the Group and other open market participants.

Also, as part of our strategy to promote the use of common platforms across the Group to maximize operational leverage and provide the best service, we decided to discontinue our Superdigital platform in Latin America. Through our global platform we will continue to promote banking services in the mass segment and develop financial inclusion proposals.

In Cards, we continued to make progress in our priorities:

- **Expand the business:** we made progress implementing Card Risk Data Lab in Spain, Chile, Mexico and Uruguay, reaching more than 500,000 new pre-approved customers in H1 2024.

  We are also increasing the connection between card issuing and acquiring platforms to offer value-added products and services. We launched a differential joint value proposition (card + PoS) in Spain, and will follow soon in Chile.

- **Improve customer satisfaction:** we are working to offer the best card payment experience in a simple way at any time, through what we call Invisible Payments. We made progress in the implementation of Click to Pay, an industry solution for e-commerce payments. We continued to roll out digital services on a global scale, such as the token manager, which already manages than 150 million of tokens at Santander banks.

- **Implement Plard**, our global card platform, which already manages more than 75,000 new debit cards in Brazil, where we expect the migration of the debit portfolio before year-end. In Chile, we will start to manage new customer debit cards in Q3. In Mexico, the new authorizer engine is now live serving 2.9 million cards.

Business performance

Loans and advances to customers decreased 3% year-on-year. Excluding reverse repurchase agreements and in constant euros, gross loans rose 4%, driven mainly by Cards in Brazil and Mexico.

Payments has very small amount of deposits, concentrated in PagoNxt. These deposits (excluding repos) amounted to EUR 994 million and rose 66% year-on-year in euros and in constant euros.

Results

Attributable profit was EUR 49 million in **H1 2024,** 78% down year-on-year affected by write-downs related to the discontinuation of our merchant platform in Germany and Superdigital in Latin America. Excluding these impacts, profit was EUR 292 million, up 31% year-on-year. In constant euros, profit rose 30%, by line:

- Total income grew 3%. Excluding a one-time positive fee recorded in Q1 2023 from commercial agreements in Brazil, total income increased 6%, driven by activity improvement.

- Costs up 4%, but flat in real terms, despite our investments in platforms both in Cards and PagoNxt.

- Net loan-loss provisions, which are mainly related to the Cards business, decreased 3%, driven by the good performances in South America and Europe.

Compared to **Q1 2024**, worse bottom line affected by the already mentioned write-downs. Excluding them, profit rose 16% in constant euros driven by good revenue and cost performance.

Payments. Underlying income statement

EUR million and % change

		/ Q1'24			/ H1'23	
	Q2'24	%	FX	H1'24	%	FX
Total income	1,347	0	+1	2,701	+3	+3
Expenses	-615	-5	-5	-1,266	+4	+4
Net operating income	**732**	**+4**	**+7**	**1,435**	**+2**	**+2**
LLPs	-434	+4	+6	-852	-2	-3
PBT	41	-84	-82	306	-38	-38
Attributable profit	**-89**	**—**	**—**	**49**	**-78**	**-78**

Detailed financial information in appendix.

PagoNxt

Business performance

In H1 2024, the total number of transactions in Getnet reached 4.8 billion, 7% higher year-on-year, and the total payments volume (TPV) was EUR 108 billion, 12% more than in the same period of 2023 in constant euros.

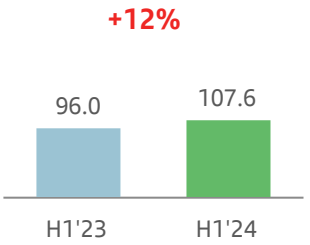
Ebury had 23,000 active customers, a 23% rise year-on-year.

PagoNxt Payments processed 405 million transactions compared to 79 million in 2023 and 57% more in Q2 2024 than in Q1 2024.

PagoNxt. Activity

TPV (Getnet)

EUR billion and changes in constant euros



Results

In **H1 2024**, attributable loss of EUR 304 million (EUR 61 million loss if we exclude the write-downs related to the discontinuation of our merchant platform in Germany and Superdigital in Latin America), compared to a EUR 103 million loss in the same period of 2023. There was no material impact from exchange rates in the period. In constant euros:

- Total income reached EUR 583 million, up 12% year-on-year, driven by a good performance in Ebury and the increase in Getnet's revenue in Chile, Mexico and Europe.
- Costs rose 5% year-on-year, reflecting inflationary pressures and continued investment in the global payment platforms.

EBITDA margin was 20.1%, 8.9 pp higher than in H1 2023.

Compared to **Q1 2024**, results were impacted by the aforementioned write-downs. Excluding them, attributable loss was EUR 22 million, compared to a EUR 39 million loss in Q1 2024, driven by strong fee growth in Chile and Europe and costs improvement.

PagoNxt. Underlying income statement

EUR million and % change

		/ Q1'24			/ H1'23	
	Q2'24	%	FX	H1'24	%	FX
Total income	300	+6	+8	583	+12	+12
Expenses	-297	-3	-2	-601	+5	+5
Net operating income	**4**	**—**	**—**	**-18**	**-66**	**-65**
LLPs	-5	+36	+41	-9	-26	-26
PBT	-258	+842	+808	-286	+273	+280
Attributable profit	**-265**	**+573**	**+562**	**-304**	**+196**	**+198**

Detailed financial information in appendix.

Cards

Business performance

Card turnover increased 5% year-on-year in constant euros, driven by growth both in credit and debit cards.

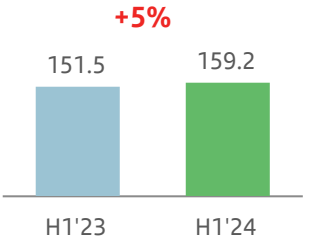
The number of transactions rose 8%, boosted by a larger card pool and a payment acceptance rate that continued to improve, allowing our customers to have the best payments experience.

Loans and advances to customers decreased 3% year-on-year. Excluding reverse repurchase agreements and in constant euros, gross loans rose 4%, driven mainly by Brazil and Mexico.

Cards. Activity

Turnover

EUR billion and changes in constant euros



Results

In **H1 2024,** attributable profit amounted to EUR 353 million, an 8% rise. In constant euros, profit also rose 8%, by line:

- Total income was flat year-on-year, affected by a one-time positive fee that was recorded in Q1 2023 in Brazil. Excluding this effect, revenue rose 4%. NII grew 7% driven by higher volumes in Brazil and Mexico, offsetting the fall in fees, affected by the one-off already mentioned.
- Costs rose 2% year-on-year, growing below inflation, despite our investment in platforms.
- Net loan-loss provisions fell 3%, due to good risk management and to a lower interest rate environment in South America.

In H1 2024, RoTE in Cards was 35.0%.

Compared to **Q1 2024,** variations were significantly impacted by the use of the new Argentine peso exchange rate. Excluding Argentina, profit rose 6% in constant euros, supported by good performance in revenue and costs (mainly in the UK).

Cards. Underlying income statement

EUR million and % change

		/ Q1'24			/ H1'23	
	Q2'24	%	FX	H1'24	%	FX
Total income	1,047	-2	0	2,117	+1	0
Expenses	-319	-8	-7	-665	+4	+2
Net operating income	**728**	**+1**	**+3**	**1,452**	**0**	**0**
LLPs	-428	+3	+6	-843	-1	-3
PBT	300	+3	+5	592	+3	+4
Attributable profit	**176**	**0**	**+2**	**353**	**+8**	**+8**

Detailed financial information in appendix.

Corporate Centre

Underlying attributable profit
-EUR 609 mn

→ The Corporate Centre continued to **support the Group.**

→ The Corporate Centre's objective is **to define, develop 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.**

→ **Attributable loss of EUR 609 million,** improving 2% compared to H1 2023 mainly due to lower costs, more than offsetting the worse performance of gains on financial transactions (higher negative impact from foreign currency hedging), with net interest income virtually flat year-on-year.

Strategy and functions

The Corporate Centre contributes value to the Group, through the following functions, among others:

- 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.
- Collaborating in the definition and execution of the global strategy, competitive development operations and projects that ensure we meet the business plan.
- 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.
- Ensuring open and constructive communication with shareholders, analysts, investors, bondholders, rating agencies and other market players.
- Adding value to our businesses, countries and divisions by encouraging the exchange of best practices, driving and managing innovative global initiatives and defining corporate policies to improve efficiency in our processes and service quality for our customers.

It also coordinates the relationship with European regulators and supervisors and carries out 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. At the end of June 2024, the liquidity buffer was EUR 304 billion.

    This is done ensuring the diversification of funding sources (issuances and other), maintaining an adequate profile in volumes, maturities and costs.

    The price of these transactions 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 transaction) and regulatory requirements (TLAC/MREL).
  - We also actively manage interest rate risk is also 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 exposure to exchange rates in equity and dynamic management of the FX hedges related to the units' next twelve months results in euros. The net investments in equity currently hedged totalled EUR 17,247 million (mainly in Mexico, Brazil and the UK) with different FX instruments (spots and forwards).
- **Management of total capital and reserves:** capital analysis, adequacy and management of the Group including: coordination with subsidiaries, monitoring profitability to maximize shareholder returns, setting solvency targets and capital contributions, and monitoring the capital ratio in both regulatory and economic terms, and efficient capital allocation to the units.

Results

In **H1 2024**, the attributable loss was EUR 609 million, 2% better than in H1 2023 (a EUR 620 million loss), by line:

- Net interest income remained steady (worsening EUR 6 million), as the higher liquidity buffer remuneration nearly offset higher interest expense related to TLAC/MREL issuances.
- Weaker gains on financial transactions (EUR 95 million more negative than H1 2023), due to greater negative impacts from foreign currency hedging.
- On the other hand, costs improved 8% compared to H1 2023, driven by ongoing simplification measures.
- Lastly, other results and provisions increased slightly year-on-year.

Corporate Centre. Underlying income statement

EUR million and % change

	Q2'24	Q1'24	Chg.	H1'24	H1'23	Chg.
Total income	-140	-210	-33	-350	-342	+2%
Net operating income	**-227**	**-297**	**-24**	**-524**	**-531**	**-1%**
PBT	-266	-340	-22	-606	-601	+1%
Attributable profit	**-252**	**-357**	**-30**	**-609**	**-620**	**-2%**

Detailed financial information in appendix.

Europe

Underlying attributable profit
EUR 3,187 mn

→ We continue to accelerate our business transformation to achieve higher growth and a more efficient operating model.

→ New business lending volumes improved year-on-year, however the stock of loans declined, still affected by prepayments and in a context of higher interest rates. Customer deposits rose, mainly due to time deposits.

→ Attributable profit increased 26% (+24% in constant euros) to EUR 3,187 million, with strong revenue growth, mainly from net interest income in Spain, Portugal and Poland.

Strategy

In Q2 2024, we remained focused on growing our business and transforming our operating model, to improve efficiency and customer experience.

- In **Retail**, we continued to drive digitalization through a common online banking and mobile experience, while reducing running costs and streamlining products and processes.
- In **CIB**, we were focused on deepening customer relationships and boosting our distribution capabilities.
- We continued to grow our **Wealth** business, which is a key driver of fee generation, while increasing its efficiency by developing centralized global technology platforms.
- In **Payments,** we expanded our businesses across Europe through PagoNxt and Cards.

Additionally, our capital discipline allowed us to maximize the value of the businesses, through sustainable asset rotation and high-value origination.

Business performance

There were positive dynamics in the quarter, with new business volumes improving year-on-year, supported by 525,000 more customers year-on-year.

Loans and advances to customers rose 2% year-on-year. In gross terms, excluding reverse repurchase agreements and in constant euros, they decreased 1%, with falls across most countries, except Poland due to record mortgage and personal loan origination and CIB portfolio growth. By business, they decreased in Retail (due to mortgage prepayments in the UK and Spain and lower loans in SMEs) and Payments.

Customer deposits increased 1% year-on-year. Excluding repurchase agreements and in constant euros they also rose 1%, as the increase in time deposits (+16%) offset the decrease in demand deposits (-3%). By business, deposits rose mainly due to time deposits in Retail, CIB and Wealth. Mutual funds increased 16% in constant euros, with growth in all countries.

Results

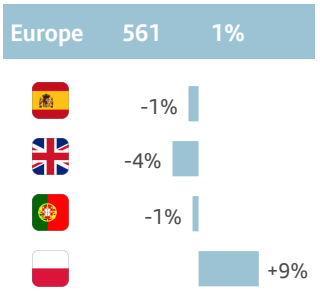
Attributable profit in **H1 2024** was EUR 3,187 million, up 26% year-on-year. In constant euros, it grew 24%, as follows:

- Total income increased 10%, due to higher net interest income (+7%), with strong growth in Spain, Portugal and Poland (good margin management), which more than offset the fall in the UK (lower mortgage volumes and higher deposit costs). Net fee income rose 4%, mainly driven by mutual fund fees in Spain (Objetivo campaign). SRF contributions ended in 2023, therefore there was no contribution in 2024.
- Costs increased 4%, in line with inflation, especially in the UK where salaries were impacted by inflation and in Poland due to the tight labour market. Net operating income rose 15% and the efficiency ratio improved by 2.6 pp, reaching 39.3%.
- Net loan-loss provisions decreased 23%, driven by credit quality improvement across countries and also due to macro improvement in the UK. We had additional provisions related to the CHF mortgage portfolio in Poland, increasing its coverage. The cost of risk stood at 0.39% (0.42% June 2023).
- Other results and provisions increased 22%, impacted by the higher temporary levy on revenue earned in Spain.

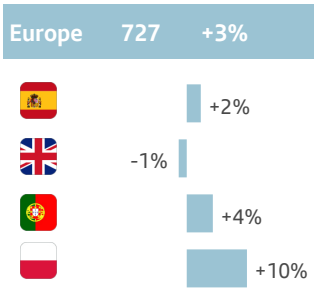
Compared to **Q1 2024,** profit rose 7% in constant euros, due to having recorded the temporary levy on revenue earned in Spain in Q1 2024 and a positive performance in costs. The quarter was impacted by the higher CHF mortgage portfolio provisions in Poland.

Europe. Business performance. June 2024

EUR billion and YoY % change in constant euros



Gross loans and advances to customers excl. reverse repos



Customer deposits excl. repos + mutual funds

Europe. Underlying income statement

EUR million and % change

	Q2'24	/ Q1'24 %	/ Q1'24 FX	H1'24	/ H1'23 %	/ H1'23 FX
Total income	5,910	+2	+2	11,718	+12	+10
Expenses	-2,297	0	-1	-4,602	+5	+4
Net operating income	**3,612**	**+3**	**+3**	**7,116**	**+17**	**+15**
LLPs	-532	+10	+10	-1,017	-21	-23
PBT	2,545	+4	+4	4,983	+28	+26
Attributable profit	**1,647**	**+7**	**+7**	**3,187**	**+26**	**+24**

Detailed financial information in appendix.

DCBE Digital Consumer Bank Europe

Underlying attributable profit
EUR 453 mn

→ Our strategy is focused on strengthening our leadership in auto and non-auto through strategic alliances and better service through new operational and non-auto leasing platforms, with Zinia in check-out lending.

→ In H1 2024, new business volumes rose 2% year-on-year in constant euros (+4% in auto), in an environment that is still tending to limit consumption (despite this, the auto market performed well). Deposits increased 24% in constant euros, in line with our objective to increase retail funding through common platforms to reduce liability costs.

→ Attributable profit of EUR 453 million, down 13% year-on-year in constant euros as the good performance in net interest income and net fee income with flat costs, were more than offset by cost of risk normalization towards pre-pandemic levels and higher CHF mortgage provisions.

Strategy

The vision in our DCB Europe business is to **become the preferred partner of our final customers and partners, offering greater profitability and value creation.**

We are thus **transforming our operating model:**

- We continue to **offer global solutions** integrated into the processes of our partners - manufacturers, importers and retailers - accompanying them as their increasingly digital business models evolve.
- **Simplifying and automating our processes** to improve customer experience and gain in scalability.
- **Building and developing global platforms**. In Q2 2024, we continued strengthening our operational leasing solution in Italy, Spain, France and Germany. Zinia, our check-out lending platform, launched a service of instalment loans with Apple (physical point of sale and e-commerce) in Germany. Openbank is present in four markets (Spain, the Netherlands, Portugal and Germany).

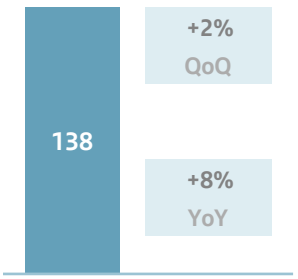
Business performance

The stock of loans and advances to customers rose 8%. In gross terms, excluding reverse repos and in constant euros, it also rose 8% year-on-year, reaching EUR 138 billion. New business volumes rose 2% year-on-year in constant euros (+4% in auto).

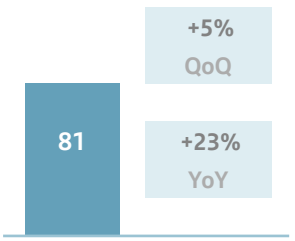
In line with our strategy to increase retail funding to reduce funding costs, customer deposits increased 24% year-on-year. Excluding repos and in constant euros, they also grew 24% to EUR 77 billion. Mutual funds increased double-digits from very low levels. Our access to wholesale funding markets remained strong and diversified.

DCB Europe. June 2024

EUR billion and % change in constant euros



Gross loans and advances to customers excl. reverse repos



Customer deposits excl. repos + mutual funds

Results

In **H1 2024,** attributable profit reached EUR 453 million, a 13% decline year-on-year. In constant euros, profit also decreased 13%, as follows:

- Total income improved 7%, mainly due to net interest income (+7%), supported by active loan repricing and customer deposit growth. In addition, net fee income grew 14%, driven by greater penetration in direct insurance, especially in Germany. SRF contributions ended in 2023, therefore there is no contribution in 2024.
- Costs remained flat, absorbing the effects of inflation and business growth. Net operating income grew 14% and the efficiency ratio improved 3.2 pp to 46.2%.
- Net loan-loss provisions increased 40%, significantly impacted by additional provisions in Q2 2024 to increase the coverage of the CHF mortgage portfolio. Additionally, they rose due to expected normalization (still below our historical average), volumes growth, some regulatory impacts and lower portfolio sales than in 2023. Despite all of this, cost of risk remained at very low levels (0.72%), normalizing in line with expectations and the NPL ratio stood at 2.31%.

The largest contribution to profit came from Germany (EUR 123 million), followed by the Nordic countries (EUR 122 million), France (EUR 63 million) and the UK (EUR 57 million).

Compared to **Q1 2024**, profit fell 2% in constant euros as the good performance in total income and especially in costs, were more than offset by the higher CHF mortgage provisions.

DCB Europe. Underlying income statement

EUR million and % change

		/ Q1'24			/ H1'23	
	Q2'24	%	FX	H1'24	%	FX
Total income	1,444	+2	+3	2,854	+7	+7
Expenses	-655	-1	-1	-1,319	0	0
Net operating income	**789**	**+6**	**+6**	**1,534**	**+14**	**+14**
LLPs	-308	+12	+12	-584	+41	+40
PBT	356	-11	-11	757	-18	-18
Attributable profit	**224**	**-2**	**-2**	**453**	**-13**	**-13**

Detailed financial information in appendix.

North America

Underlying attributable profit
EUR 1,347 mn

→ We continue to leverage the strength of our global businesses to transform our presence in the US and Mexico while continuing our digital transformation and refining our tailored service and product suite for a better customer experience.

→ Loans and advances to customers increased 3% year-on-year in constant euros driven by growth in both countries. Customer deposits declined 4% in deposits in constant euros, mainly due to funding strategy changes in CIB in the US, partially mitigated by higher deposits in Mexico and Consumer in the US.

→ Attributable profit in H1 2024 was EUR 1,347 million, flat year-on-year (-3% in constant euros), with top line growth in both countries offset by higher costs (inflation and investments) and cost of risk normalization.

Strategy

We continued to pursue business transformation across the US and Mexico, while leveraging our global and regional scale. We:

- Remained focused on executing the transformation of our Retail and Consumer businesses in both countries. The simplification of our product portfolio and streamlining of our operations continued.
- Advanced in the adoption of global technology platforms to deliver an enhanced digital experience. For example, in April we announced the launch of our national deposit platform under the Openbank brand later this year in the US.
- Continued to invest in our Corporate & Investment Banking Build-Out in the US, with the expansion of our advisory services and enhanced product offering capabilities, resulting in strong revenue growth.
- Pursued growth in Wealth, with targeted investments to enhance our capabilities and strengthen growth levers.
- Strengthened our regional operating model in technology and operations to consolidate know-how, digitalization, digital hubs, front and back-office automation driving more effective and efficient operations.

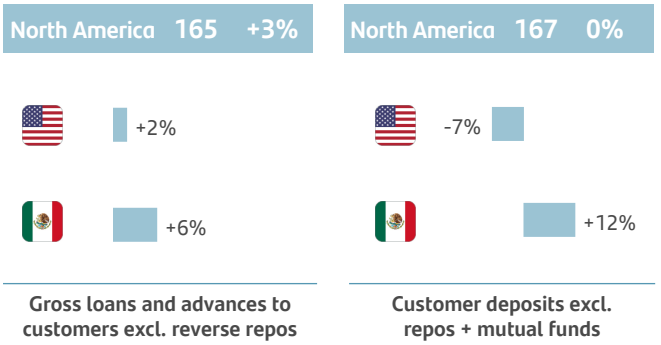
Business performance

Loans and advances to customers rose 5% year-on-year. In gross terms, excluding reverse repos and in constant euros, they were 3% up primarily driven by robust growth in mortgages, auto, cards and corporates in Mexico and CIB and auto in the US.

Customer deposits rose 2% year-on-year. Excluding repos and in constant euros, they declined 4%. This was mainly driven by strategy changes to reduce excess corporate deposits in CIB in the US, partially offset by deposit growth in Retail in Mexico and in Consumer in the US.

North America. Business performance. June 2024

EUR billion and YoY % change in constant euros



Gross loans and advances to customers excl. reverse repos

Customer deposits excl. repos + mutual funds

Mutual funds grew strongly, +19% year-on-year in constant euros driven mainly by Mexico, supported by a strategy based on offering attractive products to our customers through enhanced digital platforms.

Results

Attributable profit in **H1 2024** was EUR 1,347 million, flat year-on-year. In constant euros, profit decreased 3%, as follows:

- Total income grew 7% year-on-year, driven by a strong revenue performance in CIB in the US, where we are moving forward with our capabilities build-out, and by a good performance across the board in Mexico (volumes growth and wider customer margins).
- Costs increased 7%, driven by inflation and higher digital and investments embedded in our transformation programme in Retail in Mexico and in CIB in the US. These were partially compensated by significant efficiencies in our Consumer and Commercial businesses in the US resulting from our transformation initiatives.
- Net loan-loss provisions rose 21%, reflecting the strong business growth in Retail and Cards in Mexico, as well as the expected cost of risk normalization in Mexico and auto in the US.

Compared to **Q1 2024**, attributable profit grew 9% in constant euros, fuelled by revenue growth in Retail in Mexico and Consumer in the US and lower net loan-loss provisions, particularly in Consumer in the US and Payments in Mexico.

North America. Underlying income statement

EUR million and % change

	/ Q1'24			/ H1'23		
	Q2'24	%	FX	H1'24	%	FX
Total income	3,554	+2	+2	7,039	+10	+7
Expenses	-1,691	+2	+2	-3,352	+10	+7
Net operating income	**1,863**	**+2**	**+2**	**3,686**	**+10**	**+7**
LLPs	-908	-8	-8	-1,893	+24	+21
PBT	810	+4	+4	1,586	-9	-12
Attributable profit	**703**	**+9**	**+9**	**1,347**	**0**	**-3**

Detailed financial information in appendix.

South America

Underlying attributable profit
EUR 1,681 mn

→ We are focused on being the primary bank for our customers and the most profitable bank in each of our countries in the region, taking advantage of the synergies between our global and regional businesses. We continued to grow our solid customer base (increasing 3.6 million year-on-year to almost 77 million), supported by our focus on service quality.

→ In terms of activity, year-on-year growth in both loans and deposits in constant euros, as we seek to become the leading bank in inclusive and sustainable businesses through differential value propositions.

→ Attributable profit was EUR 1,681 million in H1 2024, with a 15% increase year-on-year (+19% in constant euros) driven by the strong net interest income growth which more than offset lower gains on financial transactions and higher provisions.

Strategy

In Q2 2024, the main initiatives by business were:

- In **Retail**, we continued to focus on becoming a digital bank with branches, optimizing our product and service offering in digital channels and improving customer experience.
- In **Consumer**, we continued developing new business models and strengthening OEM agreements.
- In **CIB**, we are evolving towards a pan-regional offering, focusing on Markets and Corporate Finance.
- In **Wealth**, we are working to increase liability gathering to drive loyalty, improving our value offer and developing our distribution channels.
- In **Payments**, we continued to boost profitable growth, through new business development and efficiency improvement.

Business performance

The variations in constant euros, both in the balance sheet and results, have been calculated considering the Argentine peso exchange rate on the last working day of each of the periods presented. Additionally, from Q2 2024 onwards, a theoretical exchange rate has been used for the Argentine peso. For further information, see the 'Alternative performance measures' section in the appendix to this report.

Loans and advances to customers fell 4% year-on-year. In gross terms, excluding reverse repos and in constant euros, they rose 7%, with increases in all global businesses. Retail loans grew due to SMEs and corporates (Brazil and Uruguay), mortgages (Brazil, Chile and Uruguay) and personal loans (Brazil). Loans in Consumer, Wealth and Payments rose in the main countries, except in Argentina.

Customer deposits decreased 3% year-on-year. Excluding repos and in constant euros, they rose 8%, driven by time deposits (+13%) with strong growth in Brazil, Chile and Uruguay. Mutual funds rose 18% in constant euros, with double-digit increases in most countries.

Results

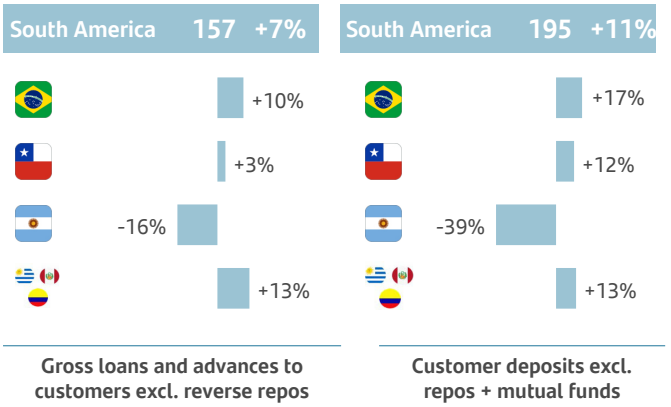
In **H1 2024**, attributable profit reached EUR 1,681 million, 15% higher than in H1 2023. In constant euros, profit rose 19%, as follows:

- Total income increased 10%, supported by 23% net interest income growth, up in all global businesses and rising double-digits in Brazil and Chile (higher volumes and benefiting from negative sensitivity of their balance sheet in a context of falling interest rates) and in Argentina. In net fee income, the good performance in Brazil (insurance and foreign exchange fees) Uruguay (Consumer) and Peru (CIB) offset lower fees in Argentina and Chile (from high levels in 2023). Gains on financial transactions were impacted by lower results in CIB in Brazil and Argentina.
- Costs remained flat and fell 4% in real terms, driven by lower costs in Argentina and our good cost management in Brazil and Chile. Efficiency improved by 3.7 pp to 35.4%.
- Net loan-loss provisions were up 10% due to Brazil, where provisions increased below portfolio growth, and normalization in Chile. The cost of risk stood at 3.50% (3.32% in June 2023).

Compared to **Q1 2024**, variations were significantly impacted by the use of the new Argentine peso exchange rate. Excluding Argentina, profit rose 7% in constant euros, supported by higher net interest income and net fee income in Brazil and Chile and controlled costs.

South America. Business performance. June 2024

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

	Q2'24	/ Q1'24 %	/ Q1'24 FX	H1'24	/ H1'23 %	/ H1'23 FX
Total income	4,903	0	+3	9,790	+8	+10
Expenses	-1,636	-11	-8	-3,466	-2	0
Net operating income	**3,267**	**+7**	**+10**	**6,324**	**+15**	**+17**
LLPs	-1,370	-1	+3	-2,748	+8	+10
PBT	1,480	+13	+16	2,788	+17	+21
Attributable profit	**885**	**+11**	**+14**	**1,681**	**+15**	**+19**

Detailed financial information in appendix.

Responsible Banking

STRATEGY AND TARGET

Our sustainability strategy focuses on supporting business growth, meeting our stakeholders' expectations and making Santander more resilient through sound risk management, data protection and privacy, transparency, culture and governance. This strategy focuses on areas with the greatest risks or opportunities for the Group or where we can have the greatest impact.

We continued to make progress towards meeting the goals set at Investor Day, which include supporting the transition to a green economy and promoting inclusive growth.

Green finance	Socially Responsible Investments (SRI) AuMs	Financial inclusion
EUR 123.4 billion	EUR 74.0 billion	2.8 million people
Target 1: EUR 120 bn 2025 *Target 2: EUR 220 bn 2030*	*Target: EUR 100 bn 2025*	*Target: 5 mn 2025*

Note: targets were set before the publication of the European taxonomy in Q2 2023. Therefore, target definitions are not fully aligned with the taxonomy. For further information, see the 'Alternative performance measures' section in the appendix to this report.

GROUP

- We achieved the target we set in 2019 to invest or mobilize EUR 120 billion in green finance before 2025 18 months early. This put us in a good position to achieve our objective to reach EUR 220 billion in green finance between 2019 and 2030.
- In Q2 2024, *Euromoney* gave us the following awards:
  - Best Bank for Corporate Responsibility in Western Europe, and also in Mexico, Portugal and Uruguay.
  - Best Bank for ESG in Brazil, Chile and Argentina.
  - Best Bank for Diversity and Inclusion in the UK and Spain.

RETAIL

- Since 2023, we have financially included 2.8 million people, of which more than 1.4 million were through access initiatives and around 1.4 million through finance initiatives. In H1 2024, we also supported microentrepreneurs with EUR 631 million through our Prospera, Tuiio and Surgir programmes, now present in four countries.
- As part of our objective to invest EUR 400 million between 2023 and 2026 to foster education, employability and entrepreneurship, we have reached EUR 146.6 million, of which EUR 41.6 million was in H1 2024. In addition, in H1 2024 we invested EUR 21 million in communities.
- We signed an asset securitization together with EIB Group. This will allow us to mobilize EUR 1.2 billion, that will contribute to financing green and women's entrepreneurship projects of SMEs and mid-caps in Spain.
- In Q2 2024, we published sustainability reports in Brazil, Mexico and the US, where we explain our local sustainability actions. In May, we published the 2023 University Report with information on all the activities throughout the year done by Santander Universidades and Universia to boost education, employability and entrepreneurship.
- We also launched another Santander X Global Challenge in 11 countries, an initiative for startups and scaleups that bring innovative solutions to education, employability and entrepreneurship.

CONSUMER

- In Europe, we financed more than 119,000 new electric vehicles (EV) in H1 2024 for a total of EUR 3.4 billion, equivalent to a market share of EV sales in Europe of more than 12%. Our offering includes a wide range of green solutions including the financing of electric vehicles, electric chargers, solar panels and electric bicycles.
- Also during H2 2024, we published our decarbonization target for our European auto lending portfolio for 2030, and we automated the calculation for enhanced monitoring.

CIB

- As at 30 June 2024, we had financed or mobilized a total of EUR 123.4 billion in green finance since we set our target in 2019, having mobilized EUR 8 billion in H1 2024.
- We continued to make progress towards achieving our 2030 decarbonization objectives in the electric power generation, energy (oil and gas), aviation, steel, auto manufacturing and thermal coal sectors. In addition, during H1 2024, we published our decarbonization target for the auto manufacturing portfolio.

WEALTH

- We continued to increase our socially responsible investment (SRI) product offering, advancing towards our target of reaching EUR 100 billion in SRI AuMs in 2025. As at end June, the total volume of AuMs in socially responsible investments was EUR 74.0 billion, of which EUR 51.2 billion were in SAM and EUR 22.7 billion from third party funds in Private Banking.
- We continued to make progress in our objective to reduce the emissions of 50% of AuMs by half by 2030, within the perimeter of our commitment. Also, we made progress in our net zero engagement activities, through participation in collaborative initiatives and individual engagements.
- In Santander Asset Management, we launched Santander GO Global Environmental Solutions funds, which invest in companies related to circular economy, natural capital, renewable energies or energy infrastructure, among others.
- We published 'Climate adaptations vs. mitigation' and 'From linear to circular, the future of business and the economy', our first articles related to sustainability for our global Private Banking clients.

PAYMENTS

- As at 31 May 2024, in Cards, we had acquired 10.7 million cards made of sustainable materials (recycled PVC or PLA).

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

CDP DISCLOSURE INSIGHT ACTION A LIST 2022 CLIMATE

FTSE4Good

UNEP FINANCE INITIATIVE PRINCIPLES FOR RESPONSIBLE BANKING

Bloomberg Gender-Equality Index 2023

Corporate governance

Share capital reduction of 2.09% under the shareholder remuneration charged against 2023 results

On 25 June, the board of directors reduced the Bank's share capital by EUR 165,652,500, cancelling 331,305,000 of its own shares. These shares accounted for 2.09% of share capital prior to the reduction and were acquired as part of the buyback programme that ran between February and June 2024 under the shareholder remuneration charged against 2023 results. The capital reduction, which was approved at the general shareholders' meeting on 22 March 2024, was registered with the Commercial Registry of Cantabria on 1 July. Consequently, Article 5 of the Bylaws was amended to reflect that the Bank's share capital is set at EUR 7,747,136,786, comprising 15,494,273,572 shares with a nominal value of EUR 0.50 per share, all of the same class and affording the same rights.

The six share buyback programmes charged against 2021, 2022 and 2023 results and the related share capital reductions have resulted in the cancellation of almost 11% of the Bank's shares (1,846,367,730 shares) since November 2021.

Changes to the board of directors

On 27 June, having obtained the corresponding regulatory approvals, Carlos Barrabés (filling the vacancy left by Bruce Carnegie-Brown), and Antonio Weiss (to succeed Ramiro Mato, who also ceased to be a member of the board of directors), joined the board as independent directors.

Changes to the board committees

On 27 June, Carlos Barrabés joined the nomination committee, the responsible banking, sustainability and culture committee and the innovation and technology committee to replace Ramiro Mato, who also ceased to be a member of other committees (executive, audit and risk supervision, regulation and compliance).

Also, on 23 July, Sol Daurella was appointed Chair of the responsible banking, sustainability and culture committee.

The updated composition of the board committees is available on our corporate website (www.santander.com).

Changes to the organizational structure of the Group's Senior Management

On 29 April, the board of directors approved the following appointments, subject to regulatory approval:

- Javier García Carranza as the new Global Head of Wealth Management & Insurance to succeed Víctor Matarranz, who will support Héctor Grisi in executing our strategy. Mr García Carranza led the Investment Platforms and Corporate Investments unit, which is merging with Wealth Management & Insurance to leverage synergies across the respective businesses.
- Javier Roglá as head of the Group's new People and Culture division, which brings together the Talent area headed by Mr Roglá, and Human Resources, led until now by Alexandra Brandão, who remains in the Group as a director of Banco Santander (Uruguay).

Also, on 25 June, the board of directors agreed the appointment, subject to regulatory approval, of Alexsandro Broedel Lopes as the new Group Chief Accounting Officer to succeed José Doncel, who will leave his executive role in the Group in March 2025. Mr Broedel Lopes, who, until now, was CFO of Itaú Unibanco where he has worked for the past 12 years, will begin this role early next year.

Santander Share

Dividends and shareholder remuneration

In application of the shareholder remuneration policy for 2023, the bank paid an additional cash dividend of EUR 9.50 cents per share against 2023 results in May 2024.

Likewise, and in application of the shareholder remuneration policy for 2023, a second share buyback programme was carried out between February and June 2024 for EUR 1,459 million, in which a total of 331,305,000 shares were acquired, representing 2.09% of the share capital. Under the authorization of the 22 March 2024 AGM, on 25 June 2024, the board agreed to amortize the shares acquired and to the corresponding reduction of share capital under the terms described in the 'Corporate governance' section.

As a result, the total shareholder remuneration against 2023 results, including the cash dividend of EUR 8.10 cent per share paid in November 2023 and the first share buyback programme (EUR 1,310 million) completed in January 2024, was EUR 5,552 million, equivalent to approximately 50% of the Group's reported profit (excluding non-cash, non-capital ratios impact items) in 2023. This remuneration was split approximately equally with around 50% in cash dividends and 50% through share buybacks.

Share price performance

Santander's shares are listed on five markets: on four exchanges in Spain (Madrid, Barcelona, Bilbao and Valencia), in the US (as an ADR), in the UK (as a CDI), in Poland and in Mexico (Sistema Internacional de Cotizaciones).

During Q2 2024, disinflation slowed down. Fluctuations in interest rate expectations reflected market uncertainties about central bank decisions. While the ECB made its first interest rate cut in June, the Federal Reserve and the Bank of England decided to hold interest rates.

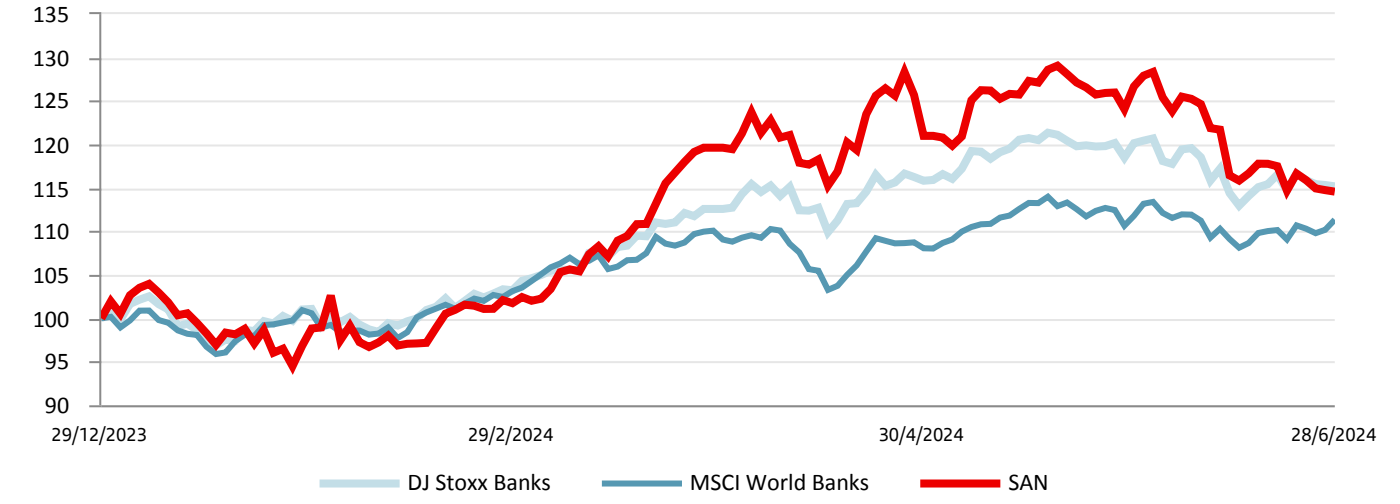
There has also been some volatility due to the recent electoral processes, which has impacted the markets in Mexico and Europe, although growth expectations in the eurozone remain reasonably positive. In the UK, the economic outlook is not expected to be greatly impacted by the results of the elections.

In this environment, equity markets performed well. Santander's share price ended June 2024 with positive return of 14.6% in the year to date. In the banking sector, the Eurostoxx Banks, the eurozone's main index, was 15.6% up, while the DJ Stoxx Banks rose by 15.2% and the MSCI World Banks increased 11.3%. The other main indices also closed up (the Ibex 35 +8.3% and the DJ Stoxx 50 +9.7% since end 2023).

Share price

START 29/12/2023	END 28/06/2024
€3.780	€4.331
Maximum 29/04/2024	**Minimum** 30/01/2024
€4.928	€3.563

Comparative share performance



Market capitalization and trading

As at 28 June 2024, Santander's market capitalization of EUR 67,098 million was the second largest in the eurozone and 25th largest in the world among financial institutions.

The share's weighting in the Stoxx Europe 600 Banks index was 6.8% and 11.5% in the Euro Stoxx Banks. In the domestic market, its weight in the Ibex 35 was 12.2% as at end June 2024.

A total of 4,297 million shares were traded in the period for an effective value of EUR 18,194 million and an annualized liquidity ratio of 54%.

The average daily trading volume was 34.1 million shares with an effective value of EUR 144 million.

Shareholder base

The total number of Santander shareholders at the end of June 2024 was 3,526,649, of which 3,192,026 were European (72.63% of the capital stock) and 323,462 from the Americas (25.93% of the capital stock).

Excluding the board, which holds 1.26% of the bank's capital stock, retail shareholders accounted for 39.75% and institutional shareholders accounted for 58.99%.



2nd Bank in the eurozone by market capitalization

EUR 67,098 million [1]

The Santander share

June 2024

Shares and trading data

Shares (number)	15,494,273,572
Average daily turnover (number of shares)	34,106,207
Share liquidity (%)	54

(Annualized number of shares traded during the period / number of shares)

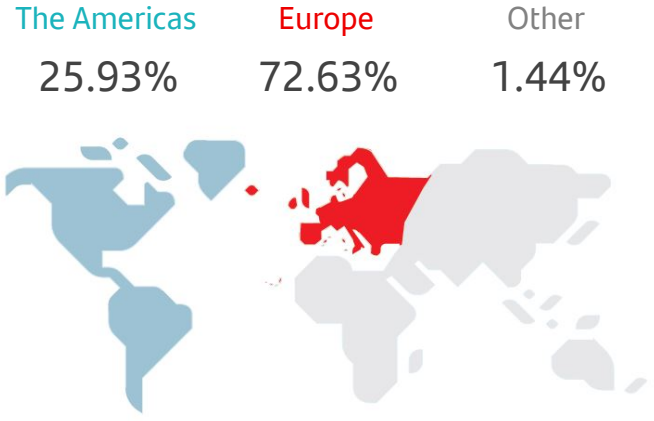
Stock market indicators

Price / Tangible book value (X)	0.88
Free float (%)	99.99

1. After cancelling the shares from the second share buyback programme against 2023 results.

Share capital distribution by geographic area

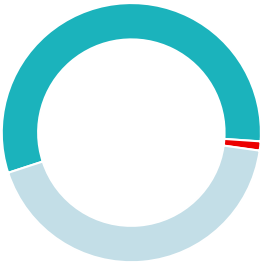
June 2024



Source: Banco Santander, S.A. Shareholder register.

Share capital distribution by type of shareholder

June 2024



Institutions 58.99%

Board * 1.26%

Retail 39.75%

* Shares owned or represented by directors.

Appendix


Financial information
- Group
- Segments
Alternative Performance Measures
Interim condensed consolidated financial statements
Glossary
Important information

Financial information

Note: from Q2 2024, we have begun to apply a new theoretical exchange rate for the Argentine peso which better reflects inflation in the country. For more information, see the calculation method detailed in the 'Alternative Performance Measures' section in this appendix.

Net fee income. Consolidated

EUR million

	Q2'24	Q1'24	Change (%)	H1'24	H1'23	Change (%)
Fees from services	1,789	1,821	(1.8)	3,610	3,591	0.5
Wealth management and marketing of customer funds	1,126	1,076	4.6	2,202	1,956	12.6
Securities and custody	322	343	(6.1)	665	556	19.6
Net fee income	**3,237**	**3,240**	**(0.1)**	**6,477**	**6,103**	**6.1**

Underlying operating expenses. Consolidated

EUR million

	Q2'24	Q1'24	Change (%)	H1'24	H1'23	Change (%)
Staff costs	3,467	3,594	(3.5)	7,061	6,603	6.9
Other general administrative expenses	2,071	2,125	(2.5)	4,196	4,270	(1.7)
Information technology	651	645	0.9	1,296	1,247	3.9
Communications	98	104	(5.8)	202	208	(2.9)
Advertising	137	139	(1.4)	276	299	(7.7)
Buildings and premises	179	192	(6.8)	371	373	(0.5)
Printed and office material	20	23	(13.0)	43	47	(8.5)
Taxes (other than tax on profits)	118	150	(21.3)	268	295	(9.2)
Other expenses	868	872	(0.5)	1,740	1,801	(3.4)
Administrative expenses	**5,538**	**5,719**	**(3.2)**	**11,257**	**10,873**	**3.5**
Depreciation and amortization	828	828	0.0	1,656	1,606	3.1
Operating expenses	**6,366**	**6,547**	**(2.8)**	**12,913**	**12,479**	**3.5**

Operating means. Consolidated

	Employees[1]			Branches		
	Jun-24	Jun-23	Change	Jun-24	Jun-23	Change
Europe	**67,633**	**66,820**	**813**	**3,033**	**3,103**	**(70)**
Spain	24,229	24,811	(582)	1,833	1,884	(51)
United Kingdom	22,214	22,163	51	444	445	(1)
Portugal	4,885	4,977	(92)	374	377	(3)
Poland	10,988	10,682	306	373	389	(16)
Other	5,317	4,187	1,130	9	8	1
DCB Europe	**16,704**	**16,624**	**80**	**327**	**363**	**(36)**
North America	**43,388**	**45,657**	**(2,269)**	**1,765**	**1,814**	**(49)**
US	12,746	14,250	(1,504)	409	443	(34)
Mexico	29,195	30,280	(1,085)	1,356	1,371	(15)
Other	1,447	1,127	320	—	—	—
South America	**79,967**	**81,413**	**(1,446)**	**3,160**	**3,543**	**(383)**
Brazil	56,803	58,505	(1,702)	2,446	2,772	(326)
Chile	9,519	9,928	(409)	242	259	(17)
Argentina	8,356	8,233	123	314	362	(48)
Other	5,289	4,747	542	158	150	8
Corporate Centre	**1,861**	**1,896**	**(35)**			
Total Group	**209,553**	**212,410**	**(2,857)**	**8,285**	**8,823**	**(538)**

1. Employee data for Spain and Other Europe have been modified slightly to better reflect the allocation of CIB employees.

Underlying net loan-loss provisions. Consolidated

EUR million

	Q2'24	Q1'24	Change (%)	H1'24	H1'23	Change (%)
Non-performing loans	3,582	3,464	3.4	7,046	6,635	6.2
Country-risk	—	—	—	—	—	—
Recovery of written-off assets	(464)	(339)	36.9	(803)	(864)	(7.1)
Net loan-loss provisions	**3,118**	**3,125**	**(0.2)**	**6,243**	**5,771**	**8.2**

Loans and advances to customers. Consolidated

EUR million

			Change		
	Jun-24	Jun-23	Absolute	%	Dec-23
Commercial bills	53,763	53,596	167	0.3	55,628
Secured loans	558,338	566,991	(8,653)	(1.5)	554,375
Other term loans	304,917	293,360	11,557	3.9	295,485
Finance leases	39,725	36,831	2,894	7.9	38,723
Receivable on demand	13,602	14,229	(627)	(4.4)	12,277
Credit cards receivable	23,387	23,889	(502)	(2.1)	24,371
Impaired assets	33,614	33,295	319	1.0	34,094
Gross loans and advances to customers (excl. reverse repos)	**1,027,346**	**1,022,191**	**5,155**	**0.5**	**1,014,953**
Reverse repos	60,875	45,999	14,876	32.3	44,184
Gross loans and advances to customers	**1,088,221**	**1,068,190**	**20,031**	**1.9**	**1,059,137**
Loan-loss allowances	22,625	23,146	(521)	(2.3)	22,788
Loans and advances to customers	**1,065,596**	**1,045,044**	**20,552**	**2.0**	**1,036,349**

Total funds. Consolidated

EUR million

			Change		
	Jun-24	Jun-23	Absolute	%	Dec-23
Demand deposits	659,270	670,106	(10,836)	(1.6)	661,262
Time deposits	293,608	270,609	22,999	8.5	307,085
Mutual funds	218,207	193,401	24,806	12.8	208,528
Customer funds	**1,171,085**	**1,134,116**	**36,969**	**3.3**	**1,176,875**
Pension funds	15,091	14,352	739	5.1	14,831
Managed portfolios	38,959	34,252	4,707	13.7	36,414
Repos	84,768	73,063	11,705	16.0	78,822
Total funds	**1,309,903**	**1,255,783**	**54,120**	**4.3**	**1,306,942**

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

EUR million

			Change		
	Jun-24	Jun-23	Absolute	%	Dec-23
Capital stock and reserves	126,179	121,643	4,536	3.7	121,185
Attributable profit	6,059	5,241	818	15.6	11,076
Dividends	(1,515)	(1,310)	(204)	15.6	(2,769)
Other retained earnings	(37,938)	(31,882)	(6,056)	19.0	(34,484)
Minority interests	7,554	6,702	852	12.7	6,899
Goodwill and intangible assets	(16,725)	(17,878)	1,153	(6.5)	(17,220)
Other deductions	(5,639)	(4,887)	(753)	15.4	(7,946)
Core CET1	**77,975**	**77,628**	**346**	**0.4**	**76,741**
Preferred shares and other eligible tier 1	8,834	8,856	(22)	(0.3)	9,002
Tier 1	**86,809**	**86,485**	**324**	**0.4**	**85,742**
Generic funds and eligible tier 2 instruments	17,612	14,669	2,943	20.1	16,497
Eligible capital	**104,420**	**101,154**	**3,267**	**3.2**	**102,240**
Risk-weighted assets	624,831	631,149	(6,318)	(1.0)	623,731
CET1 capital ratio	**12.5**	**12.3**	**0.2**		**12.3**
Tier 1 capital ratio	**13.9**	**13.7**	**0.2**		**13.7**
Total capital ratio	**16.7**	**16.0**	**0.7**		**16.4**

1. 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.

RETAIL & COMMERCIAL BANKING

EUR million

Underlying income statement	Q2'24	/ Q1'24 %	/ Q1'24 % excl. FX	H1'24	/ H1'23 %	/ H1'23 % excl. FX
Net interest income	6,870	(3.8)	(3.0)	14,015	13.0	11.6
Net fee income	1,173	(1.6)	(0.4)	2,366	3.5	3.1
Gains (losses) on financial transactions [1]	263	60.1	59.2	427	82.2	89.2
Other operating income	(80)	(82.3)	(82.2)	(533)	0.9	(0.1)
Total income	**8,226**	**2.2**	**3.2**	**16,274**	**13.1**	**11.9**
Administrative expenses and amortizations	(3,119)	(5.6)	(4.8)	(6,423)	0.8	0.1
Net operating income	**5,107**	**7.7**	**8.7**	**9,851**	**22.9**	**21.2**
Net loan-loss provisions	(1,564)	2.7	4.6	(3,087)	(0.8)	(1.3)
Other gains (losses) and provisions	(733)	(13.2)	(12.5)	(1,577)	24.4	22.9
Profit before tax	**2,810**	**18.3**	**18.8**	**5,187**	**42.6**	**39.5**
Tax on profit	(865)	11.0	11.7	(1,645)	60.7	55.8
Profit from continuing operations	**1,945**	**21.8**	**22.2**	**3,542**	**35.4**	**33.1**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**1,945**	**21.8**	**22.2**	**3,542**	**35.4**	**33.1**
Non-controlling interests	(122)	28.7	28.8	(216)	11.4	10.7
Profit attributable to the parent	**1,824**	**21.4**	**21.8**	**3,326**	**37.4**	**34.9**

Note: in Q1 2024, some adjustments to the quarterly series related to the revenue sharing criteria between CIB and Retail & Commercial Banking were incorporated into the quarterly series to better reflect the business dynamics of our new operating model with five global businesses as new primary segments. These adjustments did not affect the Group's results, nor did they affect the annual results of Retail & Commercial Banking and CIB.

Balance sheet and activity metrics						
Loans and advances to customers	622,705	0.0	0.0	622,705	(1.6)	(0.2)
Customer deposits	645,145	(1.8)	(0.8)	645,145	(1.3)	(0.1)
Memorandum items:						
Gross loans and advances to customers [2]	618,938	(0.3)	0.5	618,938	(2.3)	(0.8)
Customer funds	729,175	(0.4)	0.8	729,175	2.3	3.7
Customer deposits [3]	*637,306*	*(0.8)*	*0.2*	*637,306*	*0.4*	*1.5*
Mutual funds	*91,868*	*2.8*	*5.6*	*91,868*	*17.5*	*22.5*
Risk-weighted assets	292,885	(2.4)		292,885	(5.6)	

Note: in Q1 2024, adjustments to some of the 2023 business volumes metrics in Retail & Commercial Banking, Digital Consumer Bank, CIB and Wealth Management & Insurance were incorporated into the quarterly series to better reflect the perimeters of our five global businesses in accordance with our new operating model. These adjustments did not affect the Group's business volumes metrics.

Ratios (%) and customers					
RoTE [4]	19.2	3.6	17.4	4.1	
Efficiency ratio	37.9	(3.1)	39.5	(4.8)	
NPL ratio	3.15	(0.09)	3.15	(0.07)	
NPL coverage ratio	60.4	0.3	60.4	(2.8)	
Number of total customers (thousands)	142,913	1.8	142,913	3.6	
Number of active customers (thousands)	77,176	1.5	77,176	2.6	

1. Includes exchange differences.
2. Excluding reverse repos.
3. Excluding repos.
4. Allocated according to RWA consumption.

DIGITAL CONSUMER BANK

EUR million

		/ Q1'24			/ H1'23	
Underlying income statement	**Q2'24**	**%**	**% excl. FX**	**H1'24**	**%**	**% excl. FX**
Net interest income	2,655	(2.0)	(1.9)	5,364	6.8	6.7
Net fee income	387	9.2	9.7	742	27.1	26.8
Gains (losses) on financial transactions [1]	9	25.0	25.3	16	(70.9)	(71.0)
Other operating income	213	88.4	87.4	326	(10.1)	(10.3)
Total income	**3,264**	**2.5**	**2.6**	**6,449**	**7.0**	**6.9**
Administrative expenses and amortizations	(1,307)	(0.3)	(0.5)	(2,618)	0.4	0.3
Net operating income	**1,957**	**4.5**	**4.8**	**3,831**	**12.1**	**12.0**
Net loan-loss provisions	(1,055)	(7.2)	(7.0)	(2,193)	21.6	21.4
Other gains (losses) and provisions	(180)	52.5	52.9	(298)	168.3	164.4
Profit before tax	**722**	**16.7**	**17.1**	**1,341**	**(10.8)**	**(10.7)**
Tax on profit	(54)	(34.0)	(32.7)	(136)	(51.8)	(51.7)
Profit from continuing operations	**668**	**24.5**	**24.7**	**1,205**	**(1.4)**	**(1.3)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**668**	**24.5**	**24.7**	**1,205**	**(1.4)**	**(1.3)**
Non-controlling interests	(62)	(14.4)	(14.3)	(135)	(30.6)	(30.6)
Profit attributable to the parent	**606**	**30.6**	**30.8**	**1,070**	**4.2**	**4.3**

Balance sheet and activity metrics						
Loans and advances to customers	205,442	2.8	2.9	205,442	6.5	6.4
Customer deposits	122,053	2.9	2.4	122,053	14.8	13.6
Memorandum items:						
Gross loans and advances to customers [2]	213,211	2.7	2.9	213,211	6.5	6.5
Customer funds	129,509	3.0	2.5	129,509	15.6	14.5
Customer deposits [3]	*122,014*	*2.9*	*2.4*	*122,014*	*15.6*	*14.4*
Mutual funds	*7,495*	*5.4*	*5.0*	*7,495*	*16.2*	*15.2*
Risk-weighted assets	156,560	(0.2)		156,560	0.9	

Note: in Q1 2024, adjustments to some of the 2023 business volumes metrics in Retail & Commercial Banking, Digital Consumer Bank, CIB and Wealth Management & Insurance were incorporated into the quarterly series to better reflect the perimeters of our five global businesses in accordance with our new operating model. These adjustments did not affect the Group's business volumes metrics.

Ratios (%) and customers					
RoTE [4]	14.3	3.1	12.8	0.3	
Efficiency ratio	40.0	(1.1)	40.6	(2.7)	
NPL ratio	4.81	(0.05)	4.81	0.63	
NPL coverage ratio	75.9	(0.2)	75.9	(12.0)	
Number of total customers (thousands)	24,989	(0.2)	24,989	0.2	

1. Includes exchange differences.
2. Excluding reverse repos.
3. Excluding repos.
4. Allocated according to RWA consumption.

CORPORATE & INVESTMENT BANKING

EUR million

Underlying income statement	Q2'24	/ Q1'24 %	/ Q1'24 % excl. FX	H1'24	/ H1'23 %	/ H1'23 % excl. FX
Net interest income	969	(8.7)	(7.9)	2,031	21.6	22.0
Net fee income	626	(4.3)	(4.0)	1,280	12.0	11.6
Gains (losses) on financial transactions [1]	136	(76.2)	(76.2)	706	(37.5)	(37.2)
Other operating income	345	—	—	171	—	—
Total income	**2,076**	**(1.7)**	**(1.2)**	**4,188**	**5.9**	**6.0**
Administrative expenses and amortizations	(930)	4.7	4.8	(1,817)	20.2	19.7
Net operating income	**1,146**	**(6.4)**	**(5.6)**	**2,371**	**(3.0)**	**(2.5)**
Net loan-loss provisions	(56)	38.3	39.4	(96)	—	—
Other gains (losses) and provisions	(46)	(40.8)	(40.8)	(124)	(5.5)	(6.4)
Profit before tax	**1,044**	**(5.6)**	**(4.8)**	**2,151**	**(6.7)**	**(6.1)**
Tax on profit	(298)	(14.1)	(13.0)	(644)	(7.8)	(7.2)
Profit from continuing operations	**746**	**(1.8)**	**(1.0)**	**1,506**	**(6.2)**	**(5.7)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**746**	**(1.8)**	**(1.0)**	**1,506**	**(6.2)**	**(5.7)**
Non-controlling interests	(47)	(14.9)	(14.2)	(101)	(21.5)	(18.1)
Profit attributable to the parent	**700**	**(0.8)**	**—**	**1,405**	**(4.9)**	**(4.6)**

Note: in Q1 2024, some adjustments to the quarterly series related to the revenue sharing criteria between CIB and Retail & Commercial Banking were incorporated into the quarterly series to better reflect the business dynamics of our new operating model with five global businesses as new primary segments. These adjustments did not affect the Group's results, nor did they affect the annual results of Retail & Commercial Banking and CIB.

Balance sheet and activity metrics						
Loans and advances to customers	187,977	6.7	7.6	187,977	10.9	12.0
Customer deposits	206,347	(0.3)	1.6	206,347	6.4	8.6
Memorandum items:						
Gross loans and advances to customers [2]	143,829	3.3	4.5	143,829	5.0	6.6
Customer funds	144,201	(8.7)	(6.6)	144,201	(6.0)	(2.8)
Customer deposits [3]	*130,473*	*(8.8)*	*(7.3)*	*130,473*	*(8.1)*	*(5.6)*
Mutual funds	*13,727*	*(7.7)*	*0.3*	*13,727*	*20.9*	*34.4*
Risk-weighted assets	122,086	1.7		122,086	6.1	

Note: in Q1 2024, adjustments to some of the 2023 business volumes metrics in Retail & Commercial Banking, Digital Consumer Bank, CIB and Wealth Management & Insurance were incorporated into the quarterly series to better reflect the perimeters of our five global businesses in accordance with our new operating model. These adjustments did not affect the Group's business volumes metrics.

Ratios (%)					
RoTE [4]	18.7	(0.5)	19.0	(2.3)	
Efficiency ratio	44.8	2.8	43.4	5.2	
NPL ratio	1.05	(0.09)	1.05	(0.33)	
NPL coverage ratio	45.0	(1.3)	45.0	8.2	

1. Includes exchange differences.
2. Excluding reverse repos.
3. Excluding repos.
4. Allocated according to RWA consumption.

WEALTH MANAGEMENT & INSURANCE

EUR million

		/ Q1'24			/ H1'23	
Underlying income statement	**Q2'24**	**%**	**% excl. FX**	**H1'24**	**%**	% excl. FX
Net interest income	404	(4.4)	(4.4)	827	13.8	13.4
Net fee income	355	(2.6)	(2.6)	719	14.9	14.6
Gains (losses) on financial transactions [1]	46	11.3	11.6	88	11.6	11.1
Other operating income	92	45.0	46.9	156	(1.7)	(2.2)
Total income	**897**	**0.6**	**0.7**	**1,789**	**12.6**	**12.2**
Administrative expenses and amortizations	(309)	0.9	1.0	(615)	5.5	5.2
Net operating income	**588**	**0.4**	**0.6**	**1,173**	**16.7**	**16.2**
Net loan-loss provisions	(10)	147.5	147.9	(14)	—	—
Other gains (losses) and provisions	(5)	(78.4)	(78.4)	(30)	(15.6)	(15.9)
Profit before tax	**573**	**2.9**	**3.1**	**1,130**	**14.7**	**14.2**
Tax on profit	(136)	(0.4)	(0.3)	(273)	16.3	16.2
Profit from continuing operations	**436**	**3.9**	**4.1**	**856**	**14.2**	**13.6**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**436**	**3.9**	**4.1**	**856**	**14.2**	**13.6**
Non-controlling interests	(19)	(2.3)	(2.2)	(39)	(0.7)	0.5
Profit attributable to the parent	**417**	**4.2**	**4.5**	**818**	**15.0**	**14.3**
Balance sheet and activity metrics						
Loans and advances to customers	22,958	0.6	1.0	22,958	2.2	2.7
Customer deposits	61,378	2.9	3.2	61,378	5.8	6.3
Memorandum items:						
Gross loans and advances to customers [2]	23,073	0.7	1.1	23,073	2.3	2.7
Customer funds	165,613	(0.1)	1.4	165,613	7.5	9.7
Customer deposits [3]	*60,496*	*2.8*	*3.0*	*60,496*	*6.9*	*7.3*
Mutual funds	*105,117*	*(1.7)*	*0.5*	*105,117*	*7.9*	*11.1*
Risk-weighted assets	10,730	(33.2)		10,730	(35.8)	
Assets under management	479,720	(0.6)	1.6	479,720	9.5	12.8
Gross written premiums	3,190	7.8	5.1	6,150	(0.5)	(1.0)

Note: in Q1 2024, adjustments to some of the 2023 business volumes metrics in Retail & Commercial Banking, Digital Consumer Bank, CIB and Wealth Management & Insurance were incorporated into the quarterly series to better reflect the perimeters of our five global businesses in accordance with our new operating model. These adjustments did not affect the Group's business volumes metrics.

Ratios (%) and customers					
RoTE [4]	81.4	4.1	79.3	3.4	
Efficiency ratio	34.5	0.1	34.4	(2.3)	
NPL ratio	0.77	0.14	0.77	(0.05)	
NPL coverage ratio	64.6	3.0	64.6	11.4	
Number of Private Banking customers (thousands)	283	2.3	283	12.5	

1. Includes exchange differences.
2. Excluding reverse repos.
3. Excluding repos.
4. Allocated according to RWA consumption.

PAYMENTS

EUR million

		/	Q1'24		/	H1'23
Underlying income statement	**Q2'24**	**%**	**% excl. FX**	**H1'24**	**%**	**% excl. FX**
Net interest income	645	(4.5)	(2.6)	1,320	10.6	9.5
Net fee income	695	2.7	4.4	1,371	(6.9)	(7.3)
Gains (losses) on financial transactions [1]	3	194.4	171.7	4	—	—
Other operating income	4	468.5	429.2	5	—	—
Total income	**1,347**	**(0.4)**	**1.3**	**2,701**	**3.4**	**2.7**
Administrative expenses and amortizations	(615)	(5.4)	(4.6)	(1,266)	4.4	3.6
Net operating income	**732**	**4.1**	**6.8**	**1,435**	**2.5**	**1.9**
Net loan-loss provisions	(434)	3.7	6.0	(852)	(1.8)	(2.8)
Other gains (losses) and provisions	(257)	—	—	(277)	694.2	685.5
Profit before tax	**41**	**(84.4)**	**(82.5)**	**306**	**(38.5)**	**(38.2)**
Tax on profit	(110)	3.5	6.9	(215)	(8.9)	(8.7)
Profit from continuing operations	**(68)**	**—**	**—**	**91**	**(65.2)**	**(65.0)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**(68)**	**—**	**—**	**91**	**(65.2)**	**(65.0)**
Non-controlling interests	(20)	(5.7)	(4.5)	(42)	10.7	16.8
Profit attributable to the parent	**(89)**	**—**	**—**	**49**	**(78.1)**	**(78.2)**
Balance sheet and activity metrics						
Loans and advances to customers	20,884	(6.5)	(1.3)	20,884	(3.4)	3.5
Customer deposits	994	25.8	25.8	994	65.7	65.7
Memorandum items:						
Gross loans and advances to customers [2]	22,569	(6.0)	(0.7)	22,569	(3.2)	3.7
Customer funds	994	25.8	25.8	994	65.7	65.7
Customer deposits [3]	*994*	*25.8*	*25.8*	*994*	*65.7*	*65.7*
Mutual funds	—	—	—	—	—	—
Risk-weighted assets	18,918	(8.9)		18,918	(4.9)	
Ratios (%)						
RoTE [4]	(14.5)	(35.3)		3.8	(14.0)	
NPL ratio	5.00	0.15		5.00	(0.13)	
NPL coverage ratio	149.5	4.6		149.5	7.4	

1. Includes exchange differences.
2. Excluding reverse repos.
3. Excluding repos.
4. Allocated according to RWA consumption.

PagoNxt

EUR million

		/	Q1'24		/	H1'23
Underlying income statement	**Q2'24**	**%**	**% excl. FX**	**H1'24**	**%**	**% excl. FX**
Net interest income	31	2.0	5.5	62	97.7	96.8
Net fee income	233	4.0	5.8	456	2.2	2.0
Gains (losses) on financial transactions [1]	2	—	—	—	—	—
Other operating income	34	11.9	11.9	64	18.0	17.2
Total income	**300**	**5.9**	**7.7**	**583**	**12.0**	**11.7**
Administrative expenses and amortizations	(297)	(2.6)	(1.7)	(601)	5.0	4.9
Net operating income	**4**	**—**	**—**	**(18)**	**(65.9)**	**(65.1)**
Net loan-loss provisions	(5)	36.4	41.0	(9)	(26.1)	(26.1)
Other gains (losses) and provisions	(256)	—	—	(259)	—	—
Profit before tax	**(258)**	**841.8**	**807.6**	**(286)**	**273.3**	**279.5**
Tax on profit	(6)	(34.5)	(28.7)	(16)	(43.4)	(44.3)
Profit from continuing operations	**(265)**	**613.2**	**600.2**	**(302)**	**187.9**	**190.1**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**(265)**	**613.2**	**600.2**	**(302)**	**187.9**	**190.1**
Non-controlling interests	—	(78.5)	(79.1)	(3)	—	—
Profit attributable to the parent	**(265)**	**573.4**	**561.6**	**(304)**	**195.8**	**198.5**
Balance sheet and activity metrics						
Loans and advances to customers	733	(48.2)	(43.7)	733	(14.7)	(7.4)
Customer deposits	994	25.8	25.8	994	65.7	65.7
Memorandum items:						
Gross loans and advances to customers [2]	755	(47.7)	(43.2)	755	(15.5)	(8.5)
Customer funds	994	25.8	25.8	994	65.7	65.7
Customer deposits [3]	*994*	*25.8*	*25.8*	*994*	*65.7*	*65.7*
Mutual funds	—	—	—	—	—	—
Risk-weighted assets	4,279	(16.2)		4,279	0.2	
Total transactions (Getnet, million)	2,346	(2.8)		4,759	7.2	
Total payments volume (Getnet)	53,905	0.3	2.2	107,647	12.8	12.2
Ratios (%)						
EBITDA margin	23.0	5.9		20.1	8.9	
Efficiency ratio	98.8	-8.6		103.0	(6.9)	

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

Cards

EUR million

		/	Q1'24		/	H1'23
Underlying income statement	**Q2'24**	**%**	**% excl. FX**	**H1'24**	**%**	**% excl. FX**
Net interest income	613	(4.8)	(3.0)	1,258	8.2	7.2
Net fee income	462	2.1	3.7	915	(10.8)	(11.3)
Gains (losses) on financial transactions [1]	1	(55.6)	(59.6)	4	(16.6)	(2.8)
Other operating income	(30)	(0.3)	0.1	(59)	(41.3)	(41.4)
Total income	**1,047**	**(2.1)**	**(0.4)**	**2,117**	**1.2**	**0.5**
Administrative expenses and amortizations	(319)	(7.9)	(7.1)	(665)	3.9	2.3
Net operating income	**728**	**0.6**	**2.8**	**1,452**	**—**	**(0.4)**
Net loan-loss provisions	(428)	3.4	5.6	(843)	(1.5)	(2.5)
Other gains (losses) and provisions	—	(97.7)	(97.4)	(18)	(20.2)	(21.8)
Profit before tax	**300**	**2.5**	**4.9**	**592**	**3.1**	**3.7**
Tax on profit	(103)	7.3	10.4	(199)	(4.2)	(3.7)
Profit from continuing operations	**196**	**0.2**	**2.2**	**392**	**7.2**	**7.9**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**196**	**0.2**	**2.2**	**392**	**7.2**	**7.9**
Non-controlling interests	(20)	2.9	4.3	(39)	(1.5)	3.3
Profit attributable to the parent	**176**	**(0.1)**	**1.9**	**353**	**8.3**	**8.5**
Balance sheet and activity metrics						
Loans and advances to customers	20,151	(3.6)	1.5	20,151	(2.9)	3.9
Customer deposits	—	—	—	—	—	—
Memorandum items:						
Gross loans and advances to customers [2]	21,814	(3.4)	1.9	21,814	(2.7)	4.2
Customer funds	—	—	—	—	—	—
Customer deposits [3]	—	—	—	—	—	—
Mutual funds	—	—	—	—	—	—
Risk-weighted assets	14,639	(6.6)		14,639	(6.3)	
Number of cards (million)	99	1.5		99	3.7	
Ratios (%)						
RoTE [4]	34.5	(0.9)		35.0	2.1	
Efficiency ratio	30.4	(1.9)		31.4	0.8	
NPL ratio	5.03	0.05		5.03	(0.14)	
NPL coverage ratio	151.7	4.2		151.7	8.1	

1. Includes exchange differences.
2. Excluding reverse repos.
3. Excluding repos.
4. Allocated according to RWA consumption.

CORPORATE CENTRE

EUR million

Underlying income statement	Q2'24	Q1'24	/ Q1'24 %	H1'24	H1'23	/ H1'23 %
Net interest income	(69)	(31)	123.1	(100)	(94)	6.4
Net fee income	2	(1)	—	1	(7)	—
Gains (losses) on financial transactions [1]	(122)	(162)	(24.4)	(284)	(189)	50.3
Other operating income	49	(16)	—	33	(52)	—
Total income	**(140)**	**(210)**	**(33.1)**	**(350)**	**(342)**	**2.5**
Administrative expenses and amortizations	(86)	(87)	(1.3)	(174)	(189)	(8.1)
Net operating income	**(227)**	**(297)**	**(23.7)**	**(524)**	**(531)**	**(1.3)**
Net loan-loss provisions	0	(2)	(96.8)	(2)	4	—
Other gains (losses) and provisions	(40)	(41)	(2.7)	(80)	(74)	8.7
Profit before tax	**(266)**	**(340)**	**(21.6)**	**(606)**	**(601)**	**0.8**
Tax on profit	15	(18)	—	(3)	(19)	(85.2)
Profit from continuing operations	**(252)**	**(357)**	**(29.6)**	**(609)**	**(620)**	**(1.7)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**(252)**	**(357)**	**(29.6)**	**(609)**	**(620)**	**(1.7)**
Non-controlling interests	—	—	—	—	—	—
Profit attributable to the parent	**(252)**	**(357)**	**(29.6)**	**(609)**	**(620)**	**(1.7)**
Balance sheet						
Loans and advances to customers	5,629	5,580	0.9	5,629	5,583	0.8
Cash, central banks and credit institutions	96,925	100,663	(3.7)	96,925	107,118	(9.5)
Debt instruments	9,622	8,388	14.7	9,622	7,827	22.9
Other financial assets	934	820	13.9	934	1,003	(6.9)
Other asset accounts	124,659	130,691	(4.6)	124,659	127,867	(2.5)
Total assets	**237,769**	**246,142**	**(3.4)**	**237,769**	**249,398**	**(4.7)**
Customer deposits	1,729	1,428	21.1	1,729	1,181	46.4
Central banks and credit institutions	21,463	21,970	(2.3)	21,463	45,181	(52.5)
Marketable debt securities	110,786	115,063	(3.7)	110,786	100,538	10.2
Other financial liabilities	1,748	1,774	(1.5)	1,748	1,284	36.1
Other liabilities accounts	7,762	8,001	(3.0)	7,762	8,042	(3.5)
Total liabilities	**143,488**	**148,236**	**(3.2)**	**143,488**	**156,226**	**(8.2)**
Total equity	**94,281**	**97,907**	**(3.7)**	**94,281**	**93,172**	**1.2**
Memorandum items:						
Gross loans and advances to customers [2]	5,726	5,651	1.3	5,726	5,623	1.8
Customer funds	1,594	1,428	11.7	1,594	1,181	35.0
Customer deposits [3]	*1,594*	*1,428*	*11.7*	*1,594*	*1,181*	*35.0*
Mutual funds	—	—	—	—	—	—
Resources						
Number of employees	1,861	1,877	(0.9)	1,861	1,896	(1.8)

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

EUROPE

EUR million

		/	Q1'24		/	H1'23
Underlying income statement	**Q2'24**	**%**	**FX**	**H1'24**	**%**	**FX**
Net interest income	4,165	1.0	0.8	8,288	9.6	7.4
Net fee income	1,167	(2.9)	(3.1)	2,368	5.5	4.4
Gains (losses) on financial transactions [1]	201	(51.0)	(51.0)	612	28.2	27.6
Other operating income	377	411.8	412.8	450	153.7	155.6
Total income	**5,910**	**1.7**	**1.5**	**11,718**	**12.0**	**10.1**
Administrative expenses and amortizations	(2,297)	(0.3)	(0.5)	(4,602)	5.0	3.5
Net operating income	**3,612**	**3.1**	**2.9**	**7,116**	**17.0**	**14.9**
Net loan-loss provisions	(532)	9.9	9.6	(1,017)	(21.1)	(22.7)
Other gains (losses) and provisions	(535)	(8.1)	(8.2)	(1,116)	23.4	21.8
Profit before tax	**2,545**	**4.4**	**4.2**	**4,983**	**28.2**	**25.8**
Tax on profit	(814)	2.2	2.1	(1,610)	35.2	32.9
Profit from continuing operations	**1,731**	**5.5**	**5.2**	**3,373**	**25.1**	**22.6**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**1,731**	**5.5**	**5.2**	**3,373**	**25.1**	**22.6**
Non-controlling interests	(85)	(16.0)	(16.7)	(186)	15.5	7.8
Profit attributable to the parent	**1,647**	**6.9**	**6.7**	**3,187**	**25.7**	**23.6**

Balance sheet						
Loans and advances to customers	591,207	1.9	1.5	591,207	1.5	0.8
Cash, central banks and credit institutions	151,044	(5.7)	(6.0)	151,044	(22.8)	(23.2)
Debt instruments	127,655	1.3	1.2	127,655	31.7	31.0
Other financial assets	50,804	(6.2)	(6.2)	50,804	(0.8)	(0.9)
Other asset accounts	26,364	(3.0)	(3.2)	26,364	4.8	4.3
Total assets	**947,074**	**(0.1)**	**(0.4)**	**947,074**	**(0.4)**	**(1.0)**
Customer deposits	638,256	(0.9)	(1.2)	638,256	1.4	0.7
Central banks and credit institutions	97,203	4.3	3.9	97,203	(16.1)	(16.7)
Marketable debt securities	80,054	0.4	—	80,054	6.0	5.3
Other financial liabilities	60,853	4.5	4.4	60,853	2.4	2.2
Other liabilities accounts	28,635	(1.0)	(1.0)	28,635	(1.6)	(1.8)
Total liabilities	**905,000**	**0.1**	**(0.2)**	**905,000**	**(0.5)**	**(1.1)**
Total equity	**42,074**	**(3.9)**	**(4.1)**	**42,074**	**0.8**	**(0.1)**

Memorandum items:						
Gross loans and advances to customers [2]	560,623	1.4	1.1	560,623	(0.6)	(1.3)
Customer funds	726,957	0.2	0.0	726,957	3.4	2.7
Customer deposits [3]	*611,328*	*(0.4)*	*(0.7)*	*611,328*	*1.3*	*0.6*
Mutual funds	*115,629*	*3.8*	*3.7*	*115,629*	*16.1*	*15.8*

Ratios (%), operating means and customers						
RoTE	17.1	1.3		16.4	2.9	
Efficiency ratio	38.9	(0.8)		39.3	(2.6)	
NPL ratio	2.25	(0.07)		2.25	(0.11)	
NPL coverage ratio	49.1	0.0		49.1	(1.9)	
Number of employees	67,633	(0.2)		67,633	1.2	
Number of branches	3,033	(1.2)		3,033	(2.3)	
Number of total customers (thousands)	46,469	0.1		46,469	1.1	
Number of active customers (thousands)	28,796	0.5		28,796	1.6	

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

Spain

EUR million

		/ Q1'24		/ H1'23
Underlying income statement	**Q2'24**	**%**	**H1'24**	**%**
Net interest income	1,840	1.3	3,656	15.6
Net fee income	738	(1.1)	1,484	5.0
Gains (losses) on financial transactions [1]	107	(70.5)	468	40.9
Other operating income	364	291.1	457	121.5
Total income	**3,048**	**1.1**	**6,065**	**18.6**
Administrative expenses and amortizations	(1,033)	0.1	(2,065)	1.3
Net operating income	**2,015**	**1.6**	**3,999**	**30.1**
Net loan-loss provisions	(327)	(1.2)	(658)	(18.1)
Other gains (losses) and provisions	(244)	(41.6)	(660)	11.7
Profit before tax	**1,445**	**16.9**	**2,681**	**59.7**
Tax on profit	(461)	(0.7)	(925)	69.1
Profit from continuing operations	**984**	**27.5**	**1,756**	**55.1**
Net profit from discontinued operations	—	—	—	—
Consolidated profit	**984**	**27.5**	**1,756**	**55.1**
Non-controlling interests	0	252.5	0	—
Profit attributable to the parent	**984**	**27.5**	**1,756**	**55.1**
Balance sheet				
Loans and advances to customers	251,609	2.6	251,609	2.2
Cash, central banks and credit institutions	82,862	6.6	82,862	(25.9)
Debt instruments	77,172	(1.3)	77,172	33.6
Other financial assets	45,915	(9.4)	45,915	(0.8)
Other asset accounts	17,079	0.7	17,079	(2.7)
Total assets	**474,638**	**1.2**	**474,638**	**(1.0)**
Customer deposits	315,055	(1.4)	315,055	0.5
Central banks and credit institutions	40,371	19.6	40,371	(16.6)
Marketable debt securities	28,204	6.2	28,204	4.0
Other financial liabilities	51,374	3.3	51,374	(2.9)
Other liabilities accounts	21,863	1.5	21,863	5.3
Total liabilities	**456,867**	**1.3**	**456,867**	**(1.2)**
Total equity	**17,771**	**(0.2)**	**17,771**	**3.8**
Memorandum items:				
Gross loans and advances to customers [2]	234,321	2.6	234,321	(1.4)
Customer funds	382,346	0.3	382,346	2.3
Customer deposits [3]	*296,568*	*(0.7)*	*296,568*	*(0.7)*
Mutual funds	*85,777*	*3.9*	*85,777*	*14.4*
Ratios (%), operating means and customers				
RoTE	22.8	4.7	20.4	7.0
Efficiency ratio	33.9	(0.3)	34.1	(5.8)
NPL ratio	2.91	(0.10)	2.91	(0.21)
NPL coverage ratio	50.1	0.3	50.1	(0.6)
Number of employees [4]	24,229	(1.4)	24,229	(2.3)
Number of branches	1,833	(1.7)	1,833	(2.7)
Number of total customers (thousands)	15,126	(0.1)	15,126	3.0
Number of active customers (thousands)	8,630	1.6	8,630	6.2

1. Includes exchange differences.
2. Excluding reverse repos.
3. Excluding repos.
4. Employee data for Spain and Other Europe have been modified slightly to better reflect the allocation of CIB employees.

United Kingdom

EUR million

Underlying income statement	Q2'24	/ Q1'24 %	/ Q1'24 % excl. FX	H1'24	/ H1'23 %	/ H1'23 % excl. FX
Net interest income	1,196	0.9	0.5	2,381	(7.8)	(10.1)
Net fee income	64	(19.0)	(19.3)	142	(14.8)	(16.9)
Gains (losses) on financial transactions [1]	—	(96.5)	(96.7)	(8)	—	—
Other operating income	0	92.0	91.5	1	(68.2)	(69.0)
Total income	**1,260**	**0.2**	**(0.1)**	**2,516**	**(8.8)**	**(11.0)**
Administrative expenses and amortizations	(717)	(2.3)	(2.6)	(1,451)	6.5	3.8
Net operating income	**542**	**3.8**	**3.4**	**1,065**	**(23.7)**	**(25.6)**
Net loan-loss provisions	(44)	153.4	152.8	(61)	(40.6)	(42.1)
Other gains (losses) and provisions	(64)	(29.6)	(29.9)	(155)	(6.3)	(8.6)
Profit before tax	**434**	**4.8**	**4.5**	**849**	**(24.7)**	**(26.5)**
Tax on profit	(110)	0.2	(0.1)	(219)	(29.1)	(30.8)
Profit from continuing operations	**325**	**6.5**	**6.1**	**630**	**(23.0)**	**(24.9)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**325**	**6.5**	**6.1**	**630**	**(23.0)**	**(24.9)**
Non-controlling interests	—	—	—	—	—	—
Profit attributable to the parent	**325**	**6.5**	**6.1**	**630**	**(23.0)**	**(24.9)**

Balance sheet						
Loans and advances to customers	250,820	0.7	(0.1)	250,820	(1.1)	(2.3)
Cash, central banks and credit institutions	50,456	(21.3)	(21.9)	50,456	(22.0)	(22.9)
Debt instruments	12,467	21.2	20.2	12,467	43.1	41.4
Other financial assets	306	(3.9)	(4.7)	306	(71.6)	(71.9)
Other asset accounts	4,368	(8.7)	(9.5)	4,368	84.9	82.6
Total assets	**318,417**	**(3.1)**	**(3.9)**	**318,417**	**(3.7)**	**(4.8)**
Customer deposits	229,975	(2.6)	(3.4)	229,975	(1.6)	(2.8)
Central banks and credit institutions	25,700	(6.4)	(7.2)	25,700	(28.4)	(29.3)
Marketable debt securities	44,912	(0.7)	(1.5)	44,912	3.8	2.6
Other financial liabilities	4,707	(12.8)	(13.5)	4,707	51.5	49.6
Other liabilities accounts	1,435	(9.2)	(9.9)	1,435	(28.6)	(29.5)
Total liabilities	**306,729**	**(2.9)**	**(3.7)**	**306,729**	**(3.5)**	**(4.7)**
Total equity	**11,689**	**(8.6)**	**(9.3)**	**11,689**	**(7.1)**	**(8.2)**

Memorandum items:						
Gross loans and advances to customers [2]	235,979	(0.2)	(1.0)	235,979	(2.5)	(3.7)
Customer funds	230,481	(2.0)	(2.8)	230,481	0.3	(1.0)
Customer deposits [3]	*222,887*	*(2.1)*	*(2.9)*	*222,887*	*0.1*	*(1.1)*
Mutual funds	*7,594*	*1.4*	*0.5*	*7,594*	*5.0*	*3.7*

Ratios (%), operating means and customers					
RoTE	11.2	0.8	10.8	(3.0)	
Efficiency ratio	56.9	(1.5)	57.7	8.3	
NPL ratio	1.46	(0.02)	1.46	0.15	
NPL coverage ratio	28.5	0.2	28.5	(3.5)	
Number of employees	22,214	(0.6)	22,214	0.2	
Number of branches	444	0.0	444	(0.2)	
Number of total customers (thousands)	22,478	(0.1)	22,478	0.5	
Number of active customers (thousands)	13,756	(0.4)	13,756	(0.9)	

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

Portugal

EUR million

Underlying income statement	Q2'24	/ Q1'24 %	H1'24	/ H1'23 %
Net interest income	413	(4.1)	844	46.8
Net fee income	115	(9.4)	242	3.0
Gains (losses) on financial transactions [1]	18	1.8	35	192.0
Other operating income	12	41.7	21	936.0
Total income	**558**	**(4.4)**	**1,142**	**38.6**
Administrative expenses and amortizations	(134)	(0.2)	(267)	1.1
Net operating income	**425**	**(5.7)**	**874**	**56.4**
Net loan-loss provisions	5	—	(2)	(93.1)
Other gains (losses) and provisions	(36)	—	(39)	(6.3)
Profit before tax	**394**	**(10.6)**	**834**	**72.2**
Tax on profit	(133)	(2.5)	(270)	66.3
Profit from continuing operations	**260**	**(14.2)**	**564**	**75.2**
Net profit from discontinued operations	—	—	—	—
Consolidated profit	**260**	**(14.2)**	**564**	**75.2**
Non-controlling interests	(1)	20.1	(1)	77.9
Profit attributable to the parent	**260**	**(14.3)**	**563**	**75.2**

Balance sheet				
Loans and advances to customers	37,680	1.0	37,680	(0.2)
Cash, central banks and credit institutions	6,951	1.2	6,951	(25.1)
Debt instruments	12,538	0.9	12,538	58.6
Other financial assets	1,118	(0.1)	1,118	(2.0)
Other asset accounts	1,051	0.2	1,051	(23.4)
Total assets	**59,338**	**1.0**	**59,338**	**3.3**
Customer deposits	37,732	3.3	37,732	3.1
Central banks and credit institutions	8,933	1.2	8,933	4.7
Marketable debt securities	4,753	(18.3)	4,753	19.3
Other financial liabilities	340	4.2	340	10.2
Other liabilities accounts	3,581	3.6	3,581	(21.2)
Total liabilities	**55,339**	**0.7**	**55,339**	**2.5**
Total equity	**4,000**	**4.0**	**4,000**	**14.5**

Memorandum items:				
Gross loans and advances to customers [2]	38,412	0.8	38,412	(0.8)
Customer funds	42,235	3.3	42,235	4.2
Customer deposits [3]	37,732	3.3	37,732	3.1
Mutual funds	4,504	3.3	4,504	14.0

Ratios (%), operating means and customers				
RoTE	26.5	(4.6)	28.8	10.1
Efficiency ratio	23.9	1.0	23.4	(8.7)
NPL ratio	2.42	(0.21)	2.42	(0.68)
NPL coverage ratio	79.9	(1.0)	79.9	(1.9)
Number of employees	4,885	(0.5)	4,885	(1.8)
Number of branches	374	(0.3)	374	(0.8)
Number of total customers (thousands)	2,946	0.5	2,946	2.0
Number of active customers (thousands)	1,860	1.0	1,860	3.4

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

Poland

EUR million

Underlying income statement	Q2'24	/ Q1'24 %	/ Q1'24 % excl. FX	H1'24	/ H1'23 %	/ H1'23 % excl. FX
Net interest income	697	1.7	0.9	1,384	14.4	6.9
Net fee income	163	(7.2)	(7.9)	339	17.3	9.5
Gains (losses) on financial transactions [1]	19	314.2	312.2	24	(20.9)	(26.2)
Other operating income	(2)	(93.6)	(94.0)	(35)	85.2	72.9
Total income	**878**	**5.3**	**4.5**	**1,711**	**13.4**	**5.9**
Administrative expenses and amortizations	(237)	3.6	2.9	(466)	15.3	7.6
Net operating income	**640**	**5.9**	**5.1**	**1,245**	**12.7**	**5.2**
Net loan-loss provisions	(166)	27.6	26.7	(297)	(13.4)	(19.2)
Other gains (losses) and provisions	(108)	74.0	72.9	(170)	60.9	50.2
Profit before tax	**366**	**(11.1)**	**(11.9)**	**779**	**18.6**	**10.7**
Tax on profit	(108)	9.8	9.0	(207)	19.6	11.7
Profit from continuing operations	**258**	**(17.7)**	**(18.4)**	**572**	**18.2**	**10.4**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**258**	**(17.7)**	**(18.4)**	**572**	**18.2**	**10.4**
Non-controlling interests	(85)	(15.5)	(16.2)	(185)	14.1	6.6
Profit attributable to the parent	**173**	**(18.8)**	**(19.5)**	**386**	**20.3**	**12.3**

Balance sheet						
Loans and advances to customers	36,342	4.6	4.6	36,342	13.1	9.8
Cash, central banks and credit institutions	8,157	(9.5)	(9.4)	8,157	(7.6)	(10.3)
Debt instruments	15,676	(1.0)	(1.0)	15,676	17.5	14.1
Other financial assets	487	(6.2)	(6.2)	487	(21.1)	(23.4)
Other asset accounts	1,801	(6.3)	(6.3)	1,801	2.4	(0.5)
Total assets	**62,463**	**0.7**	**0.7**	**62,463**	**10.2**	**7.0**
Customer deposits	47,051	2.5	2.5	47,051	11.6	8.4
Central banks and credit institutions	4,277	2.6	2.6	4,277	(5.9)	(8.7)
Marketable debt securities	2,185	4.4	4.4	2,185	92.4	86.9
Other financial liabilities	1,648	16.3	16.3	1,648	33.8	29.9
Other liabilities accounts	1,282	(22.3)	(22.3)	1,282	(13.3)	(15.8)
Total liabilities	**56,443**	**2.2**	**2.2**	**56,443**	**11.7**	**8.5**
Total equity	**6,020**	**(11.5)**	**(11.5)**	**6,020**	**(2.1)**	**(5.0)**

Memorandum items:						
Gross loans and advances to customers [2]	37,140	4.1	4.1	37,140	12.6	9.4
Customer funds	52,011	2.2	2.3	52,011	12.7	9.5
Customer deposits [3]	*46,114*	*1.8*	*1.8*	*46,114*	*9.4*	*6.3*
Mutual funds	*5,896*	*5.9*	*6.0*	*5,896*	*48.1*	*43.8*

Ratios (%), operating means and customers					
RoTE	18.6	(1.6)	19.4	1.5	
Efficiency ratio	27.0	(0.4)	27.2	0.4	
NPL ratio	3.40	(0.17)	3.40	(0.35)	
NPL coverage ratio	75.1	0.2	75.1	1.1	
Number of employees	10,988	1.3	10,988	2.9	
Number of branches	373	(1.1)	373	(4.1)	
Number of total customers (thousands)	5,915	1.0	5,915	2.2	
Number of active customers (thousands)	4,546	1.2	4,546	3.7	

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

Other Europe

EUR million

		/	Q1'24		/	H1'23
Underlying income statement	**Q2'24**	**%**	**% excl. FX**	**H1'24**	**%**	**% excl. FX**
Net interest income	19	293.2	274.3	24	(35.4)	(35.3)
Net fee income	87	16.7	16.2	161	14.9	14.9
Gains (losses) on financial transactions [1]	58	68.5	67.7	92	(3.6)	(3.6)
Other operating income	2	(55.9)	(56.0)	6	—	—
Total income	**166**	**40.3**	**39.4**	**284**	**9.5**	**9.6**
Administrative expenses and amortizations	(176)	0.5	0.2	(351)	13.1	13.1
Net operating income	**(10)**	**(81.7)**	**(81.3)**	**(68)**	**31.0**	**30.9**
Net loan-loss provisions	—	(87.2)	(87.8)	2	—	—
Other gains (losses) and provisions	(84)	795.8	795.8	(93)	—	—
Profit before tax	**(94)**	**44.4**	**45.1**	**(159)**	**168.1**	**167.9**
Tax on profit	(2)	—	—	11	—	—
Profit from continuing operations	**(96)**	**82.4**	**83.2**	**(148)**	**151.7**	**151.5**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**(96)**	**82.4**	**83.2**	**(148)**	**151.7**	**151.5**
Non-controlling interests	1	—	—	1	(71.6)	(71.6)
Profit attributable to the parent	**(95)**	**80.8**	**81.6**	**(147)**	**159.3**	**159.2**
Balance sheet						
Loans and advances to customers	14,755	6.6	5.9	14,755	18.9	16.9
Cash, central banks and credit institutions	2,618	8.8	8.3	2,618	169.3	168.6
Debt instruments	9,801	5.3	5.2	9,801	6.6	6.3
Other financial assets	2,978	97.5	96.3	2,978	43.2	41.0
Other asset accounts	2,065	(16.2)	(16.5)	2,065	(2.7)	(3.5)
Total assets	**32,217**	**9.1**	**8.6**	**32,217**	**20.3**	**19.0**
Customer deposits	8,443	42.3	41.0	8,443	132.7	127.9
Central banks and credit institutions	17,922	(5.7)	(6.0)	17,922	(3.3)	(4.1)
Marketable debt securities	—	—	—	—	—	—
Other financial liabilities	2,784	103.6	102.3	2,784	46.5	44.2
Other liabilities accounts	473	(30.4)	(30.4)	473	54.8	54.0
Total liabilities	**29,623**	**9.7**	**9.2**	**29,623**	**21.6**	**20.3**
Total equity	**2,595**	**2.6**	**2.0**	**2,595**	**7.4**	**6.0**
Memorandum items:						
Gross loans and advances to customers [2]	14,771	6.6	5.9	14,771	18.9	16.8
Customer funds	19,884	15.8	15.2	19,884	53.8	52.3
Customer deposits [3]	*8,027*	*39.4*	*38.1*	*8,027*	*132.4*	*127.4*
Mutual funds	*11,858*	*3.9*	*3.6*	*11,858*	*25.2*	*24.5*
Resources						
Number of employees [4]	5,317	4.6		5,317	27.0	

1. Includes exchange differences.
2. Excluding reverse repos.
3. Excluding repos.
4. Employee data for Spain and Other Europe have been modified slightly to better reflect the allocation of CIB employees.

DCB EUROPE

EUR million

		/ Q1'24			/ H1'23	
Underlying income statement	**Q2'24**	**%**	**% excl. FX**	**H1'24**	**%**	**% excl. FX**
Net interest income	1,092	(0.2)	(0.1)	2,187	7.2	6.8
Net fee income	231	5.2	5.2	451	14.4	14.1
Gains (losses) on financial transactions [1]	6	51.9	54.3	10	(82.3)	(82.3)
Other operating income	114	25.0	25.0	206	23.6	22.9
Total income	**1,444**	**2.4**	**2.5**	**2,854**	**7.4**	**7.0**
Administrative expenses and amortizations	(655)	(1.5)	(1.4)	(1,319)	0.4	0.1
Net operating income	**789**	**5.9**	**6.0**	**1,534**	**14.2**	**13.6**
Net loan-loss provisions	(308)	11.9	12.0	(584)	40.7	39.5
Other gains (losses) and provisions	(124)	80.7	80.3	(193)	—	—
Profit before tax	**356**	**(11.1)**	**(10.9)**	**757**	**(18.4)**	**(18.5)**
Tax on profit	(78)	(24.8)	(24.7)	(181)	(20.1)	(20.2)
Profit from continuing operations	**279**	**(6.3)**	**(6.1)**	**576**	**(17.8)**	**(17.9)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**279**	**(6.3)**	**(6.1)**	**576**	**(17.8)**	**(17.9)**
Non-controlling interests	(55)	(20.2)	(20.2)	(124)	(31.5)	(31.7)
Profit attributable to the parent	**224**	**(2.1)**	**(1.9)**	**453**	**(13.1)**	**(13.2)**
Balance sheet						
Loans and advances to customers	135,576	2.6	2.3	135,576	8.1	7.6
Cash, central banks and credit institutions	19,127	(0.1)	(0.5)	19,127	15.3	14.7
Debt instruments	5,921	(14.9)	(15.1)	5,921	13.0	12.2
Other financial assets	98	(9.7)	(9.7)	98	(39.6)	(39.8)
Other asset accounts	10,564	3.9	3.7	10,564	14.1	13.8
Total assets	**171,286**	**1.6**	**1.3**	**171,286**	**9.3**	**8.8**
Customer deposits	76,901	5.0	4.6	76,901	24.1	23.6
Central banks and credit institutions	29,239	(3.0)	(3.6)	29,239	(24.1)	(24.6)
Marketable debt securities	44,342	0.6	0.5	44,342	22.6	22.4
Other financial liabilities	2,508	9.7	9.6	2,508	8.0	7.7
Other liabilities accounts	5,145	1.2	0.9	5,145	0.8	0.5
Total liabilities	**158,135**	**2.1**	**1.8**	**158,135**	**9.7**	**9.3**
Total equity	**13,151**	**(3.8)**	**(4.3)**	**13,151**	**4.3**	**3.6**
Memorandum items:						
Gross loans and advances to customers [2]	138,296	2.6	2.3	138,296	8.1	7.6
Customer funds	81,052	5.1	4.8	81,052	23.9	23.4
Customer deposits [3]	*76,901*	*5.0*	*4.6*	*76,901*	*24.1*	*23.6*
Mutual funds	*4,151*	*7.0*	*7.0*	*4,151*	*19.9*	*19.9*
Ratios (%), operating means and customers						
RoTE	8.9	0.0		8.9	(1.9)	
Efficiency ratio	45.3	(1.8)		46.2	(3.2)	
NPL ratio	2.31	0.05		2.31	0.28	
NPL coverage ratio	85.4	(0.7)		85.4	(9.0)	
Number of employees	16,704	(0.9)		16,704	0.5	
Number of branches	327	(3.8)		327	(9.9)	
Number of total customers (thousands)	19,515	(0.5)		19,515	(1.0)	

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

NORTH AMERICA

EUR million

		/ Q1'24			/ H1'23	
Underlying income statement	**Q2'24**	**%**	**% excl. FX**	**H1'24**	**%**	**% excl. FX**
Net interest income	2,636	1.0	0.8	5,247	6.4	3.8
Net fee income	662	3.7	3.6	1,300	20.7	16.3
Gains (losses) on financial transactions [1]	169	3.9	3.7	331	44.2	40.0
Other operating income	87	18.4	16.9	161	(10.5)	(9.1)
Total income	**3,554**	**2.0**	**1.8**	**7,039**	**9.7**	**6.9**
Administrative expenses and amortizations	(1,691)	1.8	1.6	(3,352)	9.6	7.1
Net operating income	**1,863**	**2.1**	**2.0**	**3,686**	**9.8**	**6.7**
Net loan-loss provisions	(908)	(7.8)	(8.1)	(1,893)	23.7	21.2
Other gains (losses) and provisions	(144)	129.9	129.1	(207)	136.8	132.1
Profit before tax	**810**	**4.3**	**4.5**	**1,586**	**(8.8)**	**(12.0)**
Tax on profit	(107)	(18.5)	(17.9)	(238)	(37.4)	(40.0)
Profit from continuing operations	**703**	**9.0**	**9.0**	**1,348**	**(0.8)**	**(4.1)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**703**	**9.0**	**9.0**	**1,348**	**(0.8)**	**(4.1)**
Non-controlling interests	0	(66.0)	(65.7)	(2)	(87.6)	(88.4)
Profit attributable to the parent	**703**	**9.1**	**9.1**	**1,347**	**0.1**	**(3.2)**
Balance sheet						
Loans and advances to customers	183,084	2.9	4.8	183,084	4.6	4.3
Cash, central banks and credit institutions	34,561	(2.5)	(0.8)	34,561	(18.2)	(17.2)
Debt instruments	56,809	2.1	6.7	56,809	15.0	16.7
Other financial assets	8,687	1.7	8.2	8,687	(32.6)	(31.5)
Other asset accounts	23,160	(2.8)	(1.0)	23,160	2.0	1.6
Total assets	**306,300**	**1.7**	**4.1**	**306,300**	**1.3**	**1.6**
Customer deposits	177,982	1.2	3.4	177,982	2.1	2.0
Central banks and credit institutions	42,294	11.9	15.0	42,294	14.0	15.8
Marketable debt securities	39,471	2.8	4.2	39,471	4.1	3.6
Other financial liabilities	15,346	(10.7)	(5.8)	15,346	(24.8)	(23.6)
Other liabilities accounts	6,515	(5.3)	(1.4)	6,515	(0.6)	0.3
Total liabilities	**281,607**	**2.0**	**4.4**	**281,607**	**1.9**	**2.2**
Total equity	**24,692**	**(2.0)**	**0.8**	**24,692**	**(4.4)**	**(3.9)**
Memorandum items:						
Gross loans and advances to customers [2]	165,322	(0.8)	1.3	165,322	3.4	3.3
Customer funds	166,590	(5.4)	(2.7)	166,590	(0.8)	(0.5)
Customer deposits [3]	*133,709*	*(6.9)*	*(4.7)*	*133,709*	*(4.4)*	*(4.3)*
Mutual funds	*32,881*	*1.5*	*6.4*	*32,881*	*17.1*	*19.0*
Ratios (%), operating means and customers						
RoTE	12.0	0.7		11.7	0.6	
Efficiency ratio	47.6	(0.1)		47.6	(0.1)	
NPL ratio	3.93	(0.14)		3.93	0.70	
NPL coverage ratio	74.3	0.1		74.3	(15.7)	
Number of employees	43,388	(2.3)		43,388	(5.0)	
Number of branches	1,765	(1.0)		1,765	(2.7)	
Number of total customers (thousands)	25,476	1.4		25,476	2.1	
Number of active customers (thousands)	14,952	1.7		14,952	5.8	

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

United States

EUR million

Underlying income statement	Q2'24	/ Q1'24 %	/ Q1'24 % excl. FX	H1'24	/ H1'23 %	/ H1'23 % excl. FX
Net interest income	1,428	2.2	1.4	2,824	(2.6)	(2.6)
Net fee income	272	2.1	1.3	539	38.3	38.3
Gains (losses) on financial transactions [1]	97	(4.5)	(5.3)	198	71.4	71.5
Other operating income	104	(0.4)	(1.2)	208	(4.4)	(4.3)
Total income	**1,900**	**1.7**	**0.9**	**3,769**	**4.0**	**4.1**
Administrative expenses and amortizations	(963)	2.4	1.6	(1,903)	5.8	5.8
Net operating income	**938**	**1.0**	**0.1**	**1,866**	**2.3**	**2.3**
Net loan-loss provisions	(556)	(9.7)	(10.4)	(1,171)	16.5	16.5
Other gains (losses) and provisions	(43)	7.7	6.9	(83)	45.1	45.2
Profit before tax	**339**	**23.8**	**22.9**	**612**	**(19.7)**	**(19.6)**
Tax on profit	46	695.4	691.8	52	—	—
Profit from continuing operations	**385**	**37.7**	**36.7**	**664**	**(0.4)**	**(0.3)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**385**	**37.7**	**36.7**	**664**	**(0.4)**	**(0.3)**
Non-controlling interests	—	—	—	—	—	—
Profit attributable to the parent	**385**	**37.7**	**36.7**	**664**	**(0.4)**	**(0.3)**
Balance sheet						
Loans and advances to customers	136,225	7.1	6.3	136,225	5.2	3.2
Cash, central banks and credit institutions	24,507	(2.5)	(3.3)	24,507	17.3	15.2
Debt instruments	26,560	8.2	7.3	26,560	17.3	15.1
Other financial assets	2,406	20.0	19.0	2,406	(56.9)	(57.7)
Other asset accounts	16,544	(1.6)	(2.3)	16,544	(3.8)	(5.6)
Total assets	**206,241**	**5.4**	**4.6**	**206,241**	**5.3**	**3.4**
Customer deposits	123,679	3.8	3.0	123,679	1.2	(0.7)
Central banks and credit institutions	27,169	18.1	17.2	27,169	67.1	64.0
Marketable debt securities	30,796	4.8	4.0	30,796	5.0	3.1
Other financial liabilities	5,830	(0.3)	(1.1)	5,830	(33.4)	(34.6)
Other liabilities accounts	3,020	(5.5)	(6.2)	3,020	(15.9)	(17.4)
Total liabilities	**190,495**	**5.5**	**4.7**	**190,495**	**5.7**	**3.8**
Total equity	**15,747**	**4.2**	**3.4**	**15,747**	**0.5**	**(1.4)**
Memorandum items:						
Gross loans and advances to customers [2]	117,955	2.5	1.7	117,955	4.0	2.1
Customer funds	101,898	(4.9)	(5.7)	101,898	(5.4)	(7.2)
Customer deposits [3]	*88,551*	*(5.8)*	*(6.6)*	*88,551*	*(7.4)*	*(9.1)*
Mutual funds	*13,347*	*1.6*	*0.8*	*13,347*	*9.9*	*7.9*
Ratios (%), operating means and customers						
RoTE	10.5	2.5		9.2	0.8	
Efficiency ratio	50.7	0.4		50.5	0.8	
NPL ratio	4.33	(0.27)		4.33	0.87	
NPL coverage ratio	67.9	0.1		67.9	(17.7)	
Number of employees	12,746	(2.1)		12,746	(10.6)	
Number of branches	409	(1.0)		409	(7.7)	
Number of total customers (thousands)	4,504	0.2		4,504	2.1	
Number of active customers (thousands)	4,349	0.2		4,349	7.9	

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

Mexico

EUR million

		/	Q1'24		/	H1'23
Underlying income statement	**Q2'24**	**%**	**% excl. FX**	**H1'24**	**%**	**% excl. FX**
Net interest income	1,207	(0.6)	0.0	2,421	19.4	12.6
Net fee income	374	4.2	4.8	733	10.5	4.1
Gains (losses) on financial transactions [1]	74	6.1	6.7	144	25.2	18.0
Other operating income	(19)	(45.4)	(45.0)	(54)	28.2	20.9
Total income	**1,636**	**1.8**	**2.3**	**3,244**	**17.4**	**10.6**
Administrative expenses and amortizations	(677)	1.8	2.4	(1,343)	15.4	8.8
Net operating income	**959**	**1.7**	**2.3**	**1,901**	**18.9**	**12.0**
Net loan-loss provisions	(351)	(4.9)	(4.4)	(721)	37.9	30.0
Other gains (losses) and provisions	(17)	18.0	18.6	(32)	7.9	1.7
Profit before tax	**590**	**5.7**	**6.3**	**1,149**	**9.6**	**3.3**
Tax on profit	(161)	10.1	10.6	(307)	12.5	6.0
Profit from continuing operations	**430**	**4.2**	**4.7**	**842**	**8.6**	**2.4**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**430**	**4.2**	**4.7**	**842**	**8.6**	**2.4**
Non-controlling interests	(1)	(5.5)	(5.0)	(2)	(85.3)	(86.2)
Profit attributable to the parent	**429**	**4.2**	**4.8**	**840**	**10.5**	**4.1**
Balance sheet						
Loans and advances to customers	46,824	(7.6)	0.8	46,824	3.0	7.7
Cash, central banks and credit institutions	9,636	(3.1)	5.6	9,636	(54.1)	(52.1)
Debt instruments	30,247	(2.6)	6.2	30,247	13.1	18.2
Other financial assets	6,154	(4.1)	4.6	6,154	(14.2)	(10.3)
Other asset accounts	6,304	(5.1)	3.5	6,304	21.2	26.7
Total assets	**99,166**	**(5.3)**	**3.2**	**99,166**	**(6.1)**	**(1.8)**
Customer deposits	53,971	(4.4)	4.2	53,971	3.8	8.5
Central banks and credit institutions	14,882	2.2	11.4	14,882	(28.0)	(24.7)
Marketable debt securities	8,674	(3.8)	4.9	8,674	1.1	5.7
Other financial liabilities	9,395	(16.2)	(8.6)	9,395	(18.5)	(14.8)
Other liabilities accounts	3,416	(5.4)	3.2	3,416	17.9	23.2
Total liabilities	**90,338**	**(4.8)**	**3.8**	**90,338**	**(5.6)**	**(1.3)**
Total equity	**8,828**	**(10.6)**	**(2.5)**	**8,828**	**(10.9)**	**(6.9)**
Memorandum items:						
Gross loans and advances to customers [2]	47,325	(8.1)	0.2	47,325	1.9	6.4
Customer funds	64,360	(6.1)	2.3	64,360	7.3	12.1
Customer deposits [3]	*44,825*	*(9.1)*	*(0.9)*	*44,825*	*1.7*	*6.3*
Mutual funds	*19,534*	*1.4*	*10.6*	*19,534*	*22.6*	*28.1*
Ratios (%), operating means and customers						
RoTE	19.5	0.8		19.1	1.2	
Efficiency ratio	41.4	0.0		41.4	(0.7)	
NPL ratio	2.78	0.04		2.78	0.18	
NPL coverage ratio	102.5	1.7		102.5	(3.8)	
Number of employees	29,195	(2.9)		29,195	(3.6)	
Number of branches	1,356	(1.0)		1,356	(1.1)	
Number of total customers (thousands)	20,972	1.7		20,972	3.1	
Number of active customers (thousands)	10,603	2.3		10,603	6.7	

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

Other North America

EUR million

		/	Q1'24		/	H1'23
Underlying income statement	**Q2'24**	**%**	**% excl. FX**	**H1'24**	**%**	**% excl. FX**
Net interest income	2	224.7	228.4	2	(32.9)	(32.9)
Net fee income	15	22.9	23.0	27	17.1	17.1
Gains (losses) on financial transactions [1]	(2)	(78.0)	(78.5)	(10)	—	—
Other operating income	2	(47.8)	(47.8)	7	74.8	74.8
Total income	**17**	**98.5**	**100.0**	**26**	**(13.3)**	**(13.3)**
Administrative expenses and amortizations	(51)	(9.1)	(9.1)	(107)	10.2	10.2
Net operating income	**(34)**	**(28.5)**	**(28.7)**	**(82)**	**20.5**	**20.5**
Net loan-loss provisions	(1)	—	—	(1)	(54.0)	(54.0)
Other gains (losses) and provisions	(84)	930.6	925.9	(92)	—	—
Profit before tax	**(119)**	**113.7**	**113.3**	**(175)**	**147.0**	**147.0**
Tax on profit	8	(14.1)	(14.4)	17	—	—
Profit from continuing operations	**(111)**	**138.4**	**137.9**	**(158)**	**90.8**	**90.8**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**(111)**	**138.4**	**137.9**	**(158)**	**90.8**	**90.8**
Non-controlling interests	1	—	—	1	(66.7)	(66.7)
Profit attributable to the parent	**(111)**	**136.5**	**136.0**	**(158)**	**94.0**	**94.0**
Balance sheet						
Loans and advances to customers	35	1.0	1.0	35	(36.7)	(36.7)
Cash, central banks and credit institutions	418	9.3	9.3	418	23.2	23.2
Debt instruments	2	(20.5)	(20.5)	2	588.5	588.5
Other financial assets	127	1.7	1.7	127	(6.4)	(6.4)
Other asset accounts	311	(17.0)	(17.0)	311	2.4	2.4
Total assets	**892**	**(2.9)**	**(2.9)**	**892**	**7.0**	**7.0**
Customer deposits	332	25.8	25.8	332	65.7	65.7
Central banks and credit institutions	243	1.1	1.1	243	34.3	34.1
Marketable debt securities	—	—	—	—	—	—
Other financial liabilities	120	0.2	0.2	120	(9.9)	(9.9)
Other liabilities accounts	79	6.2	6.2	79	21.0	21.0
Total liabilities	**775**	**10.8**	**10.8**	**775**	**33.5**	**33.4**
Total equity	**117**	**(46.4)**	**(46.4)**	**117**	**(53.6)**	**(53.6)**
Memorandum items:						
Gross loans and advances to customers [2]	42	(3.0)	(3.0)	42	(33.7)	(33.7)
Customer funds	332	25.8	25.8	332	65.7	65.7
Customer deposits [3]	*332*	*25.8*	*25.8*	*332*	*65.7*	*65.7*
Mutual funds	—	—	—	—	—	—
Resources						
Number of employees	1,447	9.5		1,447	28.4	

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

SOUTH AMERICA

EUR million

		/	Q1'24		/	H1'23
Underlying income statement	**Q2'24**	**%**	**% excl. FX**	**H1'24**	**%**	**% excl. FX**
Net interest income	3,649	(12.8)	(10.5)	7,835	21.0	23.0
Net fee income	1,176	(0.5)	2.2	2,358	(1.6)	0.3
Gains (losses) on financial transactions [1]	81	(61.1)	(61.1)	288	(60.3)	(59.1)
Other operating income	(3)	(99.5)	(99.5)	(691)	23.1	22.8
Total income	**4,903**	**0.3**	**3.1**	**9,790**	**8.3**	**10.5**
Administrative expenses and amortizations	(1,636)	(10.6)	(8.3)	(3,466)	(1.9)	0.1
Net operating income	**3,267**	**6.8**	**9.9**	**6,324**	**14.9**	**17.1**
Net loan-loss provisions	(1,370)	(0.6)	2.7	(2,748)	8.2	9.5
Other gains (losses) and provisions	(417)	12.5	14.9	(788)	34.3	33.7
Profit before tax	**1,480**	**13.1**	**16.1**	**2,788**	**17.4**	**21.2**
Tax on profit	(465)	10.7	14.2	(885)	30.5	32.3
Profit from continuing operations	**1,015**	**14.2**	**16.9**	**1,903**	**12.1**	**16.6**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**1,015**	**14.2**	**16.9**	**1,903**	**12.1**	**16.6**
Non-controlling interests	(130)	41.0	43.0	(222)	(7.4)	0.8
Profit attributable to the parent	**885**	**11.1**	**13.9**	**1,681**	**15.3**	**19.1**

Balance sheet						
Loans and advances to customers	150,100	(2.3)	2.7	150,100	(4.3)	7.6
Cash, central banks and credit institutions	60,293	(6.7)	0.3	60,293	0.5	12.7
Debt instruments	60,882	(6.1)	(0.1)	60,882	(10.5)	0.4
Other financial assets	21,442	(4.2)	(4.0)	21,442	(0.3)	14.1
Other asset accounts	18,493	(5.8)	0.3	18,493	(2.8)	8.8
Total assets	**311,210**	**(4.3)**	**1.0**	**311,210**	**(4.3)**	**7.6**
Customer deposits	142,779	(4.8)	1.0	142,779	(2.8)	8.8
Central banks and credit institutions	51,053	3.5	8.3	51,053	(3.7)	8.1
Marketable debt securities	37,209	(5.4)	(0.1)	37,209	(10.2)	1.9
Other financial liabilities	44,376	(8.7)	(4.3)	44,376	(4.1)	8.8
Other liabilities accounts	11,310	(0.9)	4.2	11,310	(3.1)	9.4
Total liabilities	**286,727**	**(4.0)**	**1.4**	**286,727**	**(4.2)**	**7.8**
Total equity	**24,484**	**(7.7)**	**(2.6)**	**24,484**	**(6.1)**	**5.0**

Memorandum items:						
Gross loans and advances to customers [2]	157,379	(2.1)	3.0	157,379	(4.5)	7.4
Customer funds	194,892	(4.3)	1.5	194,892	(0.8)	11.1
Customer deposits [3]	*129,347*	*(2.8)*	*2.7*	*129,347*	*(3.6)*	*7.8*
Mutual funds	*65,546*	*(7.2)*	*(0.8)*	*65,546*	*5.3*	*18.3*

Ratios (%), operating means and customers				
RoTE	17.2	2.4	16.0	2.1
Efficiency ratio	33.4	(4.1)	35.4	(3.7)
NPL ratio	5.30	(0.07)	5.30	(0.58)
NPL coverage ratio	81.5	1.2	81.5	3.7
Number of employees	79,967	(0.3)	79,967	(1.8)
Number of branches	3,160	(1.6)	3,160	(10.8)
Number of total customers (thousands)	76,782	2.9	76,782	5.0
Number of active customers (thousands)	39,064	2.2	39,064	1.7

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

Brazil

EUR million

		/	Q1'24		/	H1'23
Underlying income statement	**Q2'24**	**%**	**% excl. FX**	**H1'24**	**%**	**% excl. FX**
Net interest income	2,605	(1.0)	3.3	5,235	22.2	22.4
Net fee income	888	4.9	9.3	1,734	3.6	3.8
Gains (losses) on financial transactions [1]	(42)	—	—	(6)	—	—
Other operating income	27	—	—	21	(13.2)	(13.0)
Total income	**3,477**	**(0.9)**	**3.4**	**6,984**	**11.2**	**11.4**
Administrative expenses and amortizations	(1,109)	(4.1)	0.1	(2,265)	2.6	2.8
Net operating income	**2,368**	**0.7**	**5.1**	**4,719**	**15.8**	**16.1**
Net loan-loss provisions	(1,158)	(0.4)	3.9	(2,322)	7.3	7.6
Other gains (losses) and provisions	(251)	19.1	23.8	(462)	(7.7)	(7.5)
Profit before tax	**958**	**(1.9)**	**2.4**	**1,935**	**37.3**	**37.5**
Tax on profit	(318)	(11.2)	(7.2)	(677)	41.0	41.2
Profit from continuing operations	**640**	**3.6**	**8.0**	**1,258**	**35.4**	**35.6**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**640**	**3.6**	**8.0**	**1,258**	**35.4**	**35.6**
Non-controlling interests	(60)	6.3	10.7	(117)	9.7	9.9
Profit attributable to the parent	**580**	**3.3**	**7.7**	**1,141**	**38.7**	**39.0**
Balance sheet						
Loans and advances to customers	93,001	(5.6)	3.8	93,001	(1.9)	10.9
Cash, central banks and credit institutions	49,670	(4.5)	5.0	49,670	3.5	17.0
Debt instruments	46,565	(3.4)	6.3	46,565	(0.7)	12.3
Other financial assets	7,761	1.6	11.8	7,761	0.9	14.1
Other asset accounts	13,618	(5.5)	4.0	13,618	(4.3)	8.2
Total assets	**210,615**	**(4.6)**	**4.9**	**210,615**	**(0.5)**	**12.5**
Customer deposits	98,911	(6.8)	2.6	98,911	1.8	15.1
Central banks and credit institutions	32,771	10.7	21.7	32,771	4.2	17.8
Marketable debt securities	25,373	(9.9)	(0.9)	25,373	(13.4)	(2.1)
Other financial liabilities	29,417	(9.1)	0.0	29,417	(4.2)	8.3
Other liabilities accounts	8,087	9.6	20.6	8,087	30.7	47.8
Total liabilities	**194,559**	**(4.4)**	**5.1**	**194,559**	**(0.1)**	**12.9**
Total equity	**16,056**	**(6.8)**	**2.5**	**16,056**	**(4.3)**	**8.2**
Memorandum items:						
Gross loans and advances to customers [2]	98,724	(5.1)	4.3	98,724	(2.3)	10.5
Customer funds	135,611	(6.1)	3.2	135,611	3.5	17.0
Customer deposits [3]	*85,548*	*(4.1)*	*5.5*	*85,548*	*1.1*	*14.3*
Mutual funds	*50,063*	*(9.5)*	*(0.4)*	*50,063*	*7.8*	*21.9*
Ratios (%), operating means and customers						
RoTE	16.3	0.9		15.9	3.8	
Efficiency ratio	31.9	(1.1)		32.4	(2.7)	
NPL ratio	5.96	(0.09)		5.96	(1.03)	
NPL coverage ratio	90.4	3.5		90.4	7.6	
Number of employees	56,803	(0.4)		56,803	(2.9)	
Number of branches	2,446	(1.8)		2,446	(11.8)	
Number of total customers (thousands)	66,362	3.0		66,362	4.8	
Number of active customers (thousands)	31,872	2.4		31,872	0.1	

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

Chile

EUR million

		/	Q1'24		/	H1'23
Underlying income statement	**Q2'24**	**%**	**% excl. FX**	**H1'24**	**%**	**% excl. FX**
Net interest income	472	34.1	31.4	824	13.3	32.2
Net fee income	137	6.4	4.0	265	(16.1)	(2.1)
Gains (losses) on financial transactions [1]	54	3.6	1.3	107	(40.0)	(30.0)
Other operating income	(4)	(33.9)	(35.8)	(10)	—	—
Total income	**659**	**25.1**	**22.5**	**1,187**	**(3.4)**	**12.7**
Administrative expenses and amortizations	(241)	7.6	5.2	(465)	(10.6)	4.3
Net operating income	**418**	**38.0**	**35.3**	**721**	**1.8**	**18.8**
Net loan-loss provisions	(126)	1.0	(1.3)	(251)	23.6	44.2
Other gains (losses) and provisions	(2)	(90.8)	(92.0)	(20)	—	—
Profit before tax	**290**	**81.7**	**78.5**	**450**	**(15.2)**	**(1.1)**
Tax on profit	(58)	70.2	67.1	(92)	38.8	62.0
Profit from continuing operations	**232**	**84.8**	**81.6**	**358**	**(23.0)**	**(10.1)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**232**	**84.8**	**81.6**	**358**	**(23.0)**	**(10.1)**
Non-controlling interests	(70)	99.3	95.9	(105)	(21.7)	(8.7)
Profit attributable to the parent	**162**	**79.2**	**76.0**	**253**	**(23.5)**	**(10.7)**
Balance sheet						
Loans and advances to customers	40,597	3.6	(1.1)	40,597	(11.0)	3.0
Cash, central banks and credit institutions	5,290	(14.7)	(18.7)	5,290	(19.2)	(6.5)
Debt instruments	10,221	(15.9)	(19.8)	10,221	(24.1)	(12.1)
Other financial assets	12,959	(8.5)	(12.7)	12,959	(3.4)	11.8
Other asset accounts	2,563	(11.5)	(15.6)	2,563	(8.0)	6.5
Total assets	**71,630**	**(4.0)**	**(8.4)**	**71,630**	**(12.4)**	**1.3**
Customer deposits	28,390	2.0	(2.7)	28,390	(7.8)	6.7
Central banks and credit institutions	11,699	(14.6)	(18.6)	11,699	(23.8)	(11.8)
Marketable debt securities	10,852	6.6	1.6	10,852	(4.6)	10.4
Other financial liabilities	13,529	(9.0)	(13.2)	13,529	(4.1)	10.9
Other liabilities accounts	1,895	(32.1)	(35.3)	1,895	(56.8)	(50.1)
Total liabilities	**66,365**	**(4.4)**	**(8.8)**	**66,365**	**(12.7)**	**1.0**
Total equity	**5,265**	**1.4**	**(3.3)**	**5,265**	**(8.9)**	**5.4**
Memorandum items:						
Gross loans and advances to customers [2]	41,782	3.7	(1.1)	41,782	(10.9)	3.1
Customer funds	39,591	4.1	(0.7)	39,591	(3.5)	11.7
Customer deposits [3]	*28,321*	*2.0*	*(2.7)*	*28,321*	*(7.5)*	*7.0*
Mutual funds	*11,270*	*9.8*	*4.7*	*11,270*	*8.4*	*25.5*
Ratios (%), operating means and customers						
RoTE	17.9	8.1		13.7	(2.7)	
Efficiency ratio	36.6	(6.0)		39.2	(3.2)	
NPL ratio	5.12	0.17		5.12	0.17	
NPL coverage ratio	53.1	(1.1)		53.1	(3.1)	
Number of employees	9,519	(2.3)		9,519	(4.1)	
Number of branches	242	(1.2)		242	(6.6)	
Number of total customers (thousands)	4,049	2.2		4,049	8.4	
Number of active customers (thousands)	2,492	2.4		2,492	14.0	

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

Argentina

EUR million

			/ Q1'24		/ H1'23
Underlying income statement	**Q2'24**	**Q1'24**	**%**	**H1'24**	**%**
Net interest income	397	1,025	(61.2)	1,423	25.0
Net fee income	73	131	(44.6)	204	(27.6)
Gains (losses) on financial transactions [1]	18	76	(76.3)	93	(52.1)
Other operating income	(23)	(677)	(96.5)	(700)	19.6
Total income	**465**	**555**	**(16.4)**	**1,020**	**(0.9)**
Administrative expenses and amortizations	(129)	(286)	(54.9)	(414)	(20.5)
Net operating income	**336**	**270**	**24.4**	**606**	**19.3**
Net loan-loss provisions	(31)	(35)	(11.6)	(66)	(32.0)
Other gains (losses) and provisions	(77)	(131)	(41.0)	(208)	100.7
Profit before tax	**228**	**104**	**118.6**	**332**	**7.9**
Tax on profit	(63)	(3)	—	(66)	19.5
Profit from continuing operations	**165**	**102**	**62.0**	**267**	**5.4**
Net profit from discontinued operations	—	—	—	—	—
Consolidated profit	**165**	**102**	**62.0**	**267**	**5.4**
Non-controlling interests	0	0	29.1	(1)	(6.6)
Profit attributable to the parent	**164**	**101**	**62.1**	**266**	**5.4**
Balance sheet					
Loans and advances to customers	5,256	5,229	0.5	5,256	(15.3)
Cash, central banks and credit institutions	2,276	3,829	(40.6)	2,276	(21.8)
Debt instruments	1,841	1,754	5.0	1,841	(63.4)
Other financial assets	54	49	11.5	54	37.2
Other asset accounts	671	1,121	(40.2)	671	(34.4)
Total assets	**10,099**	**11,982**	**(15.7)**	**10,099**	**(33.6)**
Customer deposits	5,553	6,346	(12.5)	5,553	(44.0)
Central banks and credit institutions	1,590	1,666	(4.6)	1,590	(8.5)
Marketable debt securities	180	189	(4.5)	180	22.2
Other financial liabilities	920	837	10.0	920	(4.1)
Other liabilities accounts	285	579	(50.7)	285	(45.0)
Total liabilities	**8,529**	**9,617**	**(11.3)**	**8,529**	**(35.8)**
Total equity	**1,570**	**2,364**	**(33.6)**	**1,570**	**(18.6)**
Memorandum items:					
Gross loans and advances to customers [2]	5,368	5,357	0.2	5,368	(16.0)
Customer funds	8,676	10,392	(16.5)	8,676	(39.4)
Customer deposits [3]	*5,553*	*6,346*	*(12.5)*	*5,553*	*(44.0)*
Mutual funds	*3,123*	*4,046*	*(22.8)*	*3,123*	*(28.9)*
Ratios (%), operating means and customers					
RoTE	54.5		34.0	39.1	8.5
Efficiency ratio	27.7		(23.7)	40.6	(10.0)
NPL ratio	1.51		(0.32)	1.51	(0.41)
NPL coverage ratio	145.2		(2.1)	145.2	(17.9)
Number of employees	8,356		0.0	8,356	1.49
Number of branches	314		(1.3)	314	(13.3)
Number of total customers (thousands)	4,938		2.4	4,938	8.18
Number of active customers (thousands)	3,590		0.4	3,590	13.2

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

Other South America

EUR million

		/	Q1'24		/	H1'23
Underlying income statement	**Q2'24**	**%**	**% excl. FX**	**H1'24**	**%**	**% excl. FX**
Net interest income	175	(1.4)	(2.7)	353	8.2	6.6
Net fee income	78	4.0	3.0	154	26.4	22.7
Gains (losses) on financial transactions [1]	50	15.6	14.4	94	64.2	54.8
Other operating income	(2)	—	—	(2)	(71.3)	(72.5)
Total income	**302**	**1.6**	**0.4**	**599**	**20.2**	**17.4**
Administrative expenses and amortizations	(157)	(3.7)	(4.5)	(321)	12.7	10.3
Net operating income	**145**	**8.0**	**6.3**	**278**	**30.0**	**26.7**
Net loan-loss provisions	(54)	(1.5)	(2.7)	(109)	40.4	37.2
Other gains (losses) and provisions	(87)	688.4	686.8	(98)	—	—
Profit before tax	**3**	**(95.6)**	**(96.8)**	**71**	**(44.6)**	**(46.2)**
Tax on profit	(25)	2.5	0.9	(50)	(34.8)	(35.8)
Profit from continuing operations	**(22)**	**—**	**—**	**21**	**(59.0)**	**(61.0)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**(22)**	**—**	**—**	**21**	**(59.0)**	**(61.0)**
Non-controlling interests	1	—	—	1	(67.7)	(67.7)
Profit attributable to the parent	**(21)**	**—**	**—**	**22**	**(59.3)**	**(61.2)**
Balance sheet						
Loans and advances to customers	11,246	4.5	8.8	11,246	10.3	12.5
Cash, central banks and credit institutions	3,057	19.8	23.8	3,057	21.7	24.0
Debt instruments	2,254	(17.4)	(14.0)	2,254	(13.8)	(11.1)
Other financial assets	668	26.7	32.1	668	89.2	89.1
Other asset accounts	1,642	36.5	39.1	1,642	65.2	67.3
Total assets	**18,866**	**6.2**	**10.3**	**18,866**	**13.2**	**15.5**
Customer deposits	9,924	2.1	6.2	9,924	10.6	13.6
Central banks and credit institutions	4,993	15.6	19.8	4,993	12.3	13.1
Marketable debt securities	803	2.2	6.2	803	28.1	32.7
Other financial liabilities	510	(6.8)	(3.4)	510	7.6	8.2
Other liabilities accounts	1,043	58.5	63.7	1,043	82.4	87.5
Total liabilities	**17,273**	**7.7**	**11.9**	**17,273**	**14.5**	**16.8**
Total equity	**1,593**	**(8.1)**	**(4.9)**	**1,593**	**0.6**	**2.9**
Memorandum items:						
Gross loans and advances to customers [2]	11,505	4.5	8.7	11,505	10.5	12.8
Customer funds	11,014	2.1	6.2	11,014	10.3	13.4
Customer deposits [3]	*9,924*	*2.1*	*6.2*	*9,924*	*10.6*	*13.6*
Mutual funds	*1,090*	*2.5*	*6.8*	*1,090*	*7.7*	*11.6*
Resources						
Number of employees	5,289	3.5		5,289	11.4	

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

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 therefore have neither been audited nor are susceptible to being fully audited.

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 and which we refer to as underlying measures. These measures allow in our view a better year-on-year comparability given that they exclude items outside the ordinary performance of our business (e.g. capital gains, write-downs, impairment of goodwill) or certain line items have been reclassified in the underlying ("adjusted") income statement, as their impact on profit is zero, to facilitate comparisons with prior quarters and better understand the trends in the business.

In addition, in the section "Financial information by segment", relative to the primary and secondary segments, results are only 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-June 2024		
	Statutory results	Adjustments	Underlying results
Net interest income	23,457	—	23,457
Net fee income	6,477	—	6,477
Gains (losses) on financial transactions [1]	957	—	957
Other operating income	(176)	335	159
Total income	**30,715**	**335**	**31,050**
Administrative expenses and amortizations	(12,913)	—	(12,913)
Net operating income	**17,802**	**335**	**18,137**
Net loan-loss provisions	(6,595)	352	(6,243)
Other gains (losses) and provisions	(1,699)	(687)	(2,386)
Profit before tax	**9,508**	**—**	**9,508**
Tax on profit	(2,916)	—	(2,916)
Profit from continuing operations	**6,592**	**—**	**6,592**
Net profit from discontinued operations	—	—	—
Consolidated profit	**6,592**	**—**	**6,592**
Non-controlling interests	(533)	—	(533)
Profit attributable to the parent	**6,059**	**—**	**6,059**

1. Includes exchange differences.

Explanation of adjustments:

1. Temporary levy on revenue in Spain in Q1 2024, totalling EUR 335 million, which was moved from total income to other gains (losses) and provisions.

2. Provisions which strengthen the balance sheet in Brazil of EUR 352 million in Q2 2024 (EUR 174 million net of tax and minority interests).

Reconciliation of underlying results to statutory results

EUR million

	January-June 2023		
	Statutory results	Adjustments	Underlying results
Net interest income	20,920	—	20,920
Net fee income	6,103	—	6,103
Gains (losses) on financial transactions [1]	1,302	—	1,302
Other operating income	(315)	224	(91)
Total income	**28,010**	**224**	**28,234**
Administrative expenses and amortizations	(12,479)	—	(12,479)
Net operating income	**15,531**	**224**	**15,755**
Net loan-loss provisions	(6,245)	474	(5,771)
Other gains (losses) and provisions	(1,196)	(459)	(1,655)
Profit before tax	**8,090**	**239**	**8,329**
Tax on profit	(2,281)	(213)	(2,494)
Profit from continuing operations	**5,809**	**26**	**5,835**
Net profit from discontinued operations	—	—	—
Consolidated profit	**5,809**	**26**	**5,835**
Non-controlling interests	(568)	(26)	(594)
Profit attributable to the parent	**5,241**	**—**	**5,241**

1. Includes exchange differences.

Explanation of adjustments:

1. Temporary levy on revenue in Spain in Q1 2023, totalling EUR 224 million, which was moved from total income to other gains (losses) and provisions.

2. Provisions which strengthen the balance sheet in Brazil in Q1 2023, totalling EUR 235 million, net of tax and non-controlling interests (EUR 474 million recorded in net loan-loss provisions, EUR 213 million positive impact in tax and EUR 26 million in non-controlling interests).

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, 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 (annualized) / 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.
RoTE (Return on tangible equity)	Profit attributable to the parent (annualized)[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.
RoA (Return on assets)	Consolidated profit (annualized) / 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.
RoRWA (Return on risk-weighted assets)	Consolidated profit (annualized) / 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.
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]	Q2'24	Q1'24	H1'24	H1'23
(EUR million and %)				
RoE	**13.4%**	**11.8%**	**12.6%**	**11.5%**
Profit attributable to the parent (annualized)	12,827	11,409	12,118	10,482
Average stockholders' equity (excluding minority interests)	95,994	96,308	96,151	91,368
RoTE	**16.8%**	**14.9%**	**15.9%**	**14.5%**
Profit attributable to the parent (annualized)	12,827	11,409	12,118	10,482
(-) Goodwill impairment	-2	—	-2	—
Profit attributable to the parent excluding goodwill impairment (annualized)	12,829	11,409	12,120	10,482
Average stockholders' equity (excluding minority interests)	95,994	96,308	96,151	91,368
(-) Average intangible assets	19,621	19,888	19,755	19,051
Average stockholders' equity (excl. minority interests) - intangible assets	76,373	76,420	76,396	72,317
RoA	**0.78%**	**0.69%**	**0.74%**	**0.67%**
Consolidated profit (annualized)	13,906	12,461	13,184	11,671
Average total assets	1,780,522	1,804,334	1,792,428	1,754,207
RoRWA	**2.18%**	**1.96%**	**2.07%**	**1.88%**
Consolidated profit (annualized)	13,906	12,461	13,184	11,671
Average risk-weighted assets	636,621	635,673	636,147	620,647
Efficiency ratio	**40.6%**	**42.6%**	**41.6%**	**44.2%**
Underlying operating expenses	6,366	6,547	12,913	12,479
Operating expenses	6,366	6,547	12,913	12,479
Adjustments to operating expenses for items outside ordinary course of businesses	—	—	—	—
Underlying total income	15,670	15,380	31,050	28,234
Total income	15,670	15,045	30,715	28,010
Adjustments to total income for items outside ordinary course of businesses	—	335	335	224

1. Averages included in the RoE, RoTE, RoA and RoRWA denominators are calculated using the monthly average over the period, which we believe should not differ materially from using daily balances.
2. 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).

Ratio	Formula	Relevance of the metric
Global business RoTE	Profit attributable to the parent excluding goodwill impairment (annualized) / Average stockholders' equity (excl. minority interests) - intangible assets [1]	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.

1. Allocated according to RWA consumption.

RoTE (EUR million and %)

	H1'24			H1'23		
	%	Numerator	Denominator	%	Numerator	Denominator
Retail & Commercial Banking	**17.4**	**6,654**	**38,193**	**13.3**	**4,843**	**36,417**
Digital Consumer Bank	**12.8**	**2,140**	**16,752**	**12.5**	**2,055**	**16,502**
Corporate & Investment Banking	**19.0**	**2,810**	**14,825**	**21.2**	**2,955**	**13,909**
Wealth Management & Insurance	**79.3**	**1,636**	**2,062**	**75.9**	**1,422**	**1,873**
Payments	**3.8**	**98**	**2,543**	**17.8**	**446**	**2,504**
PagoNxt						
Cards	35.0	706	2,018	32.9	652	1,985
Europe	**16.4**	**6,375**	**38,885**	**13.5**	**5,071**	**37,547**
Spain	20.4	3,512	17,215	13.4	2,264	16,856
United Kingdom	10.8	1,260	11,633	13.9	1,636	11,795
Portugal	28.8	1,125	3,903	18.7	642	3,432
Poland	19.4	773	3,984	17.9	642	3,583
DCB Europe	**8.9**	**905**	**10,170**	**10.8**	**1,042**	**9,656**
North America	**11.7**	**2,693**	**23,080**	**11.1**	**2,691**	**24,293**
US	9.2	1,329	14,370	8.5	1,334	15,759
Mexico	19.1	1,680	8,778	17.9	1,520	8,497
South America	**16.0**	**3,364**	**20,996**	**14.0**	**2,916**	**20,886**
Brazil	15.9	2,284	14,404	12.0	1,646	13,670
Chile	13.7	505	3,685	16.5	660	4,011
Argentina	39.1	532	1,359	30.7	504	1,645

Numerator: profit attributable to the parent excluding goodwill impairment (annualized).
Denominator: average stockholders' equity (excluding minority interests) - intangible assets, for global businesses allocated according to RWA consumption.
PagoNxt's RoTE is not provided as we do not consider it a relevant metric to measure performance in this type of business.

Efficiency ratio (EUR million and %)

	H1'24			H1'23		
	%	Numerator	Denominator	%	Numerator	Denominator
Retail & Commercial Banking	**39.5**	**6,423**	**16,274**	**44.3**	**6,374**	**14,392**
Digital Consumer Bank	**40.6**	**2,618**	**6,449**	**43.3**	**2,608**	**6,026**
Corporate & Investment Banking	**43.4**	**1,817**	**4,188**	**38.2**	**1,512**	**3,956**
Wealth Management & Insurance	**34.4**	**615**	**1,789**	**36.7**	**584**	**1,589**
Payments	**46.9**	**1,266**	**2,701**	**46.4**	**1,212**	**2,613**
PagoNxt	103.0	601	583	109.9	572	521
Cards	31.4	665	2,117	30.6	640	2,092
Europe	**39.3**	**4,602**	**11,718**	**41.9**	**4,382**	**10,464**
Spain	34.1	2,065	6,065	39.9	2,039	5,113
United Kingdom	57.7	1,451	2,516	49.4	1,363	2,759
Portugal	23.4	267	1,142	32.1	265	824
Poland	27.2	466	1,711	26.8	405	1,509
DCB Europe	**46.2**	**1,319**	**2,854**	**49.4**	**1,314**	**2,658**
North America	**47.6**	**3,352**	**7,039**	**47.7**	**3,060**	**6,417**
US	50.5	1,903	3,769	49.6	1,799	3,624
Mexico	41.4	1,343	3,244	42.1	1,163	2,763
South America	**35.4**	**3,466**	**9,790**	**39.1**	**3,534**	**9,037**
Brazil	32.4	2,265	6,984	35.1	2,207	6,281
Chile	39.2	465	1,187	42.4	521	1,229
Argentina	40.6	414	1,020	50.7	522	1,029

Numerator: underlying operating expenses.
Denominator: underlying total income.

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 customer 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)	Jun-24	Mar-24	Jun-23
(EUR million and %)			
NPL ratio	**3.02%**	**3.10%**	**3.07%**
Credit impaired loans and advances to customers, customer guarantees and customer commitments granted	35,091	35,637	34,949
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)	33,362	33,885	33,045
POCI exposure (Purchased or Originated Credit Impaired) that is additionally impaired	252	262	251
Customer guarantees and customer commitments granted classified in stage 3	1,467	1,481	1,643
Doubtful exposure of loans and advances to customers at fair value through profit or loss	10	9	10
Total risk	1,163,654	1,150,459	1,137,823
Impaired and non-impaired gross loans and advances to customers	1,088,220	1,072,377	1,068,190
Impaired and non-impaired customer guarantees and customer commitments granted	75,434	78,082	69,633

Credit risk (II)

(EUR million and %)

	Jun-24	Mar-24	Jun-23
Total coverage ratio	**66%**	**66%**	**68%**
Total allowances to cover impairment losses on loans and advances to customers, customer guarantees and customer commitments granted	23,323	23,542	23,902
Total allowances to cover impairment losses on loans and advances to customers measured at amortized cost and designated at fair value through OCI	*22,625*	*22,844*	*23,146*
Total allowances to cover impairment losses on customer guarantees and customer commitments granted	*698*	*698*	*756*
Credit impaired loans and advances to customers, customer guarantees and customer commitments granted	35,091	35,637	34,949
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)	*33,362*	*33,885*	*33,045*
POCI exposure (Purchased or Originated Credit Impaired) that is additionally impaired	*252*	*262*	*251*
Customer guarantees and customer commitments granted classified in stage 3	*1,467*	*1,481*	*1,643*
Doubtful exposure of loans and advances to customers at fair value through profit or loss	*10*	*9*	*10*

Cost of risk	**1.21%**	**1.20%**	**1.08%**
Underlying allowances for loan-loss provisions over the last 12 months	12,930	12,710	11,545
Allowances for loan-loss provisions over the last 12 months	13,282	12,710	12,019
Adjustments to loan-loss provisions for items outside ordinary course of businesses	-352		-474
Average loans and advances to customers over the last 12 months	1,064,870	1,060,024	1,070,729

NPL ratio

(EUR million and %)

	H1'24			H1'23		
	%	Numerator	Denominator	%	Numerator	Denominator
Retail & Commercial Banking	**3.15**	**20,667**	**655,637**	**3.22**	**21,464**	**666,677**
Digital Consumer Bank	**4.81**	**10,280**	**213,667**	**4.18**	**8,383**	**200,578**
Corporate & Investment Banking	**1.05**	**2,533**	**242,196**	**1.38**	**3,012**	**218,285**
Wealth Management & Insurance	**0.77**	**183**	**23,684**	**0.82**	**193**	**23,500**
Payments	**5.00**	**1,128**	**22,570**	**5.13**	**1,195**	**23,307**
PagoNxt						
Cards	5.03	1,096	21,814	5.17	1,158	22,413
Europe	**2.25**	**14,499**	**644,939**	**2.35**	**14,941**	**634,775**
Spain	2.91	8,365	287,919	3.11	8,853	284,263
United Kingdom	1.46	3,688	252,420	1.32	3,358	255,287
Portugal	2.42	984	40,669	3.09	1,253	40,503
Poland	3.40	1,438	42,324	3.74	1,382	36,921
DCB Europe	**2.31**	**3,210**	**138,698**	**2.04**	**2,612**	**128,246**
North America	**3.93**	**7,898**	**200,941**	**3.23**	**6,144**	**189,962**
US	4.33	6,435	148,724	3.46	4,825	139,641
Mexico	2.78	1,452	52,175	2.60	1,307	50,258
South America	**5.30**	**9,184**	**173,176**	**5.88**	**10,550**	**179,365**
Brazil	5.96	6,502	109,033	7.00	7,730	110,472
Chile	5.12	2,275	44,429	4.95	2,460	49,733
Argentina	1.51	89	5,882	1.92	129	6,693

Numerator: credit impaired loans and advances to customers, customer guarantees and customer commitments granted.
Denominator: total risk.
PagoNxt's NPL ratio is not provided as we do not consider it a relevant metric for this type of business.

NPL coverage ratio

(EUR million and %)

	H1'24			H1'23		
	%	Numerator	Denominator	%	Numerator	Denominator
Retail & Commercial Banking	**60.4**	**12,473**	**20,667**	**63.2**	**13,557**	**21,464**
Digital Consumer Bank	**75.9**	**7,798**	**10,280**	**87.9**	**7,366**	**8,383**
Corporate & Investment Banking	**45.0**	**1,139**	**2,533**	**36.8**	**1,109**	**3,012**
Wealth Management & Insurance	**64.6**	**118**	**183**	**53.2**	**103**	**193**
Payments	**149.5**	**1,686**	**1,128**	**142.1**	**1,698**	**1,195**
PagoNxt						
Cards	151.7	1,663	1,096	143.6	1,663	1,158
Europe	**49.1**	**7,123**	**14,499**	**51.1**	**7,628**	**14,940**
Spain	50.1	4,190	8,365	50.7	4,487	8,853
United Kingdom	28.5	1,050	3,688	32.0	1,073	3,358
Portugal	79.9	786	984	81.8	1,025	1,253
Poland	75.1	1,080	1,438	74.0	1,022	1,382
DCB Europe	**85.4**	**2,741**	**3,210**	**94.5**	**2,467**	**2,612**
North America	**74.3**	**5,865**	**7,898**	**90.0**	**5,527**	**6,144**
US	67.9	4,369	6,435	85.6	4,130	4,825
Mexico	102.5	1,488	1,452	106.3	1,389	1,307
South America	**81.5**	**7,486**	**9,184**	**77.8**	**8,209**	**10,550**
Brazil	90.4	5,875	6,502	82.7	6,395	7,730
Chile	53.1	1,208	2,275	56.2	1,382	2,460
Argentina	145.2	129	89	163.1	210	129

Numerator: total allowances to cover impairment losses on loans and advances to customers. customer guarantees and customer commitments granted.
Denominator: credit impaired loans and advances to customers, customer guarantees and customer commitments granted.
PagoNxt's coverage ratio is not provided as we do not consider it a relevant metric for this type of business.

Cost of risk

(EUR million and %)

	H1'24			H1'23		
	%	Numerator	Denominator	%	Numerator	Denominator
Retail & Commercial Banking	**1.03**	**6,516**	**635,288**	**0.92**	**6,146**	**667,935**
Digital Consumer Bank	**2.17**	**4,495**	**207,326**	**1.86**	**3,655**	**196,795**
Corporate & Investment Banking	**0.15**	**254**	**170,095**	**0.18**	**288**	**156,260**
Wealth Management & Insurance	**0.05**	**12**	**22,738**	**0.00**	**(1)**	**22,682**
Payments	**7.03**	**1,650**	**23,467**	**7.11**	**1,477**	**20,766**
PagoNxt						
Cards	7.24	1,629	22,498	7.27	1,432	19,696
Europe	**0.39**	**2,261**	**581,337**	**0.42**	**2,539**	**599,861**
Spain	0.56	1,377	245,194	0.62	1,614	258,503
United Kingdom	0.08	205	249,276	0.11	294	258,274
Portugal	0.12	45	37,991	0.10	40	39,803
Poland	1.81	628	34,702	1.87	581	31,037
DCB Europe	**0.72**	**961**	**133,804**	**0.54**	**672**	**123,516**
North America	**2.23**	**4,096**	**183,310**	**1.70**	**3,106**	**182,848**
US	2.06	2,758	133,863	1.57	2,155	137,686
Mexico	2.71	1,334	49,273	2.13	944	44,223
South America	**3.50**	**5,609**	**160,464**	**3.32**	**5,249**	**158,215**
Brazil	4.77	4,859	101,828	4.74	4,565	96,257
Chile	0.97	413	42,551	0.88	397	45,236
Argentina	4.80	119	2,485	3.46	157	4,530

Numerator: underlying allowances for loan-loss provisions over the last 12 months.
Denominator: average loans and advances to customers over the last 12 months.
PagoNxt's cost of risk is not provided as we do not consider it a relevant metric for this type of business.

Other indicators

The Group has a series of additional financial metrics which facilitate analysis of the underlying business trends and performance. It also has another set of ESG indicators which enable us to track the progress of our Responsible Banking objectives.

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	Jun-24	Mar-24	Jun-23
TNAV (tangible book value) per share	**4.94**	**4.86**	**4.57**
Tangible book value	76,514	76,346	73,941
Number of shares excl. treasury stock (million)	15,492	15,715	16,170
Price / Tangible book value per share (X)	**0.88**	**0.93**	**0.74**
Share price (euros)	4.331	4.522	3.385
TNAV (tangible book value) per share	4.94	4.86	4.57
Loan-to-deposit ratio	**103%**	**100%**	**103%**
Net loans and advances to customers	1,065,596	1,049,533	1,045,044
Customer deposits	1,037,646	1,044,453	1,013,778

	Q2'24	Q1'24	H1'24	H1'23
PAT + After tax fees paid to SAN (in WM&I) (Constant EUR million)	**879**	**835**	**1,714**	**1,529**
Profit after tax	437	420	856	754
Net fee income net of tax	442	415	857	775

ESG indicators

Metric	Definition	Jun-24
Green finance raised and facilitated (EUR billion)	Nominal amount of project finance, financial advisory, project bonds, green bonds (DCM), export finance (ECA), mergers and acquisitions (M&A), and equity capital markets (ECM) transactions ranked by the SCFS panel and reported in the League Tables of Dealogic, Inframation News, TXF and Mergermarket since the beginning of the year.	8
Green finance raised and facilitated accumulated from 2019-2025 (EUR billion)	Cumulative amount of green finance disbursed and made available since 2019.	123.4
Socially responsible investment assets under management (SRI AUM) (EUR billion)	Value corresponding to total volume of assets under management registered as article 8 - promoting ESG characteristics - and 9 - with explicit sustainability objectives - of the SFDR regulation (EU Reg. 2019/2088) except for illiquid investments in Private Banking which are reported in terms of committed capital. Includes assets managed by Santander Asset Management (SAM) in the EU and with equivalent criteria in countries where SFDR does not apply (mainly Latin America) and Third Party Funds.	74.0
Credit disbursed to microentrepreneurs (EUR million)	Total amount of credit disbursed during the year to low-income entrepreneurs with low access to banking service, or with difficulties in accessing credit, with the objective of creating and/or growing their businesses. Data include information on microfinance programmes in Brazil, Colombia, Mexico and Peru.	631
Support (investment) for education, employment and entrepreneurship (EUR million)	Total amount invested to support education, employment and entrepreneurship.	41.6
Support (investment) for education, employment and entrepreneurship accumulated from 2023-2025 (EUR million)	Cumulative amount of investment in education, employability and entrepreneurship since 2023.	146.6
Support (investment) for other local initiatives (EUR million)	Total amount invested through local initiatives to promote childhood education, social welfare (especially among vulnerable groups), art and culture.	21
Financing volume of renewable electric vehicles (EUR billion)	Financing volume of vehicles powered exclusively by a rechargeable electric battery (no petrol engine).	3.4

Note: targets were set before the publication of the European taxonomy in Q2 2023. Therefore, target definitions are not fully aligned with the taxonomy.

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** ("excluding FX" or "constant euros"), 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 income statement lines for the different business units comprising the Group into our presentation currency, the euro, applying the average exchange rate for H1 2024 to all periods contemplated in the analysis. We use this method for all countries with the exception of Argentina, where we use the exchange rate on the last working day of each period presented, given it is a hyperinflationary economy, to mitigate the distortions caused by the hyperinflation.

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 repurchase agreements (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 June 2024 to all periods contemplated in the analysis. We use this method to calculate the variations in loans and advances to customers excluding reverse repos and customer funds excluding repos for all countries with the exception of Argentina, where we use the exchange rate on the last working day of each period presented, given it is a hyperinflationary economy, to mitigate the distortions caused by the hyperinflation.

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

From Q2 2024, we have begun to apply a new theoretical exchange rate for the Argentine peso. This decision is due to the significant divergence that we have observed between the official exchange rate and other macroeconomic magnitudes, mainly inflation. The new theoretical exchange rate also reflects the implicit exchange rate observed in certain transactions ordered between market participants under the prevailing economic conditions, such as the repatriation of dividends from businesses in Argentina. This theoretical rate has been modelled by our Economic Research Team primarily taking into account the inflation differential of Argentina with respect to the US.

Exchange rates: 1 euro / currency parity

	Average (income statement)		Period-end (balance sheet)		
	H1'24	H1'23	Jun-24	Mar-24	Jun-23
US dollar	1.081	1.080	1.071	1.080	1.091
Pound sterling	0.855	0.876	0.848	0.855	0.858
Brazilian real	5.490	5.478	5.943	5.402	5.255
Mexican peso	18.492	19.623	19.561	17.939	18.719
Chilean peso	1,016.087	870.824	1,011.373	1,060.256	874.022
Argentine peso[1]	1,498.930	226.761	1,498.930	925.934	279.984
Polish zloty	4.316	4.623	4.308	4.307	4.436

1. From Q2 2024 onwards, a theoretical exchange rate has been used, as explained in the text above. We continue to apply the official ARS exchange rate to all prior periods.

Impact of inflation rate on the variations of operating expenses

Santander presents, for both the Group and the business units included in the primary and secondary segments: i) the changes in operating expenses in euros, ii) the changes excluding the exchange rate effect with the exception of Argentina which is calculated as described above in "Local currency measures", and iii) the changes excluding the exchange rate effect minus the effect of average inflation over the last twelve months except for Argentina as cost growth in euros should already largely reflect the effect of hyperinflation on exchange rates. The reason is that the two latter facilitate analysis for management purposes.

Inflation is calculated as the arithmetic average of the last twelve months for each country and, for the regions, as the weighted average of each country comprising the region's inflation rate, weighted by each country's operating expenses in the region. For South America, we exclude the impact of inflation in Argentina from the calculation of the region's average inflation as cost growth in euros should already largely reflect the effect of hyperinflation on exchange rates.

The table below shows the average inflation rates calculated as indicated.

Average inflation last 12 months

%	
Retail & Commercial Banking	**3.8**
Digital Consumer Bank	**3.3**
Corporate & Investment Banking	**3.6**
Wealth Management & Insurance	**3.5**
Payments	**3.7**
Europe	**3.7**
Spain	3.2
United Kingdom	4.1
Portugal	2.5
Poland	5.4
North America	**3.8**
US	3.3
Mexico	4.6
South America[1]	**3.8**
Brazil	4.4
Chile	4.6
DCB Europe	**3.2**
Total Group[1]	**3.7**

1. Excluding the impact of inflation in Argentina.

Interim condensated consolidated financial statements

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

NOTE: The following financial information for the first six months of 2023 and 2022 (attached herewith) corresponds to the condensed consolidated financial statements prepared in accordance with the International Financial Reporting Standards.

Condensed consolidated balance sheet

EUR million

ASSETS	Jun-24	Dec-23	Jun-23
Cash, cash balances at central banks and other deposits on demand	156,234	220,342	207,546
Financial assets held for trading	206,874	176,921	183,834
Non-trading financial assets mandatorily at fair value through profit or loss	6,166	5,910	5,796
Financial assets designated at fair value through profit or loss	9,169	9,773	9,645
Financial assets at fair value through other comprehensive income	82,270	83,308	86,756
Financial assets at amortised cost	1,217,341	1,191,403	1,180,302
Hedging derivatives	5,413	5,297	7,532
Changes in the fair value of hedged items in portfolio hedges of interest risk	(1,337)	(788)	(4,711)
Investments	8,235	7,646	7,679
Joint ventures entities	2,026	1,964	1,935
Associated entities	6,209	5,682	5,744
Assets under reinsurance contracts	214	237	243
Tangible assets	33,709	33,882	34,159
Property, plant and equipment	32,764	32,926	33,118
For own-use	12,808	13,408	13,718
Leased out under an operating lease	19,956	19,518	19,400
Investment property	945	956	1,041
Of which : Leased out under an operating lease	806	851	872
Intangible assets	19,359	19,871	19,528
Goodwill	13,668	14,017	14,126
Other intangible assets	5,691	5,854	5,402
Tax assets	29,992	31,390	29,840
Current tax assets	10,017	10,623	8,793
Deferred tax assets	19,975	20,767	21,047
Other assets	9,707	8,856	9,193
Insurance contracts linked to pensions	87	93	97
Inventories	6	7	10
Other	9,614	8,756	9,086
Non-current assets held for sale	2,915	3,014	3,151
TOTAL ASSETS	**1,786,261**	**1,797,062**	**1,780,493**

Condensed consolidated balance sheet

EUR million

LIABILITIES	Jun-24	Dec-23	Jun-23
Financial liabilities held for trading	133,856	122,270	134,888
Financial liabilities designated at fair value through profit or loss	34,493	40,367	36,220
Financial liabilities at amortized cost	1,454,896	1,468,703	1,446,882
Hedging derivatives	5,535	7,656	10,288
Changes in the fair value of hedged items in portfolio hedges of interest rate risk	12	55	(309)
Liabilities under insurance or reinsurance contracts	17,592	17,799	17,584
Provisions	8,401	8,441	8,389
Pensions and other post-retirement obligations	1,936	2,225	2,284
Other long term employee benefits	894	880	859
Taxes and other legal contingencies	2,631	2,715	2,558
Contingent liabilities and commitments	698	702	756
Other provisions	2,242	1,919	1,932
Tax liabilities	9,802	9,932	9,648
Current tax liabilities	3,691	3,846	3,164
Deferred tax liabilities	6,111	6,086	6,484
Other liabilities	18,026	17,598	14,859
Liabilities associated with non-current assets held for sale	—	—	—
TOTAL LIABILITIES	**1,682,613**	**1,692,821**	**1,678,449**
EQUITY			
Shareholders' equity	132,836	130,443	127,258
Capital	7,747	8,092	8,092
Called up paid capital	7,747	8,092	8,092
Unpaid capital which has been called up	—	—	—
Share premium	41,604	44,373	44,373
Equity instruments issued other than capital	735	720	704
Equity component of the compound financial instrument	—	—	—
Other equity instruments issued	735	720	704
Other equity	189	195	196
Accumulated retained earnings	82,324	74,114	74,112
Revaluation reserves	—	—	—
Other reserves	(5,816)	(5,751)	(5,413)
(-) Own shares	(6)	(1,078)	(47)
Profit attributable to shareholders of the parent	6,059	11,076	5,241
(-) Interim dividends	—	(1,298)	—
Other comprehensive income (loss)	(36,963)	(35,020)	(33,789)
Items not reclassified to profit or loss	(5,118)	(5,212)	(4,956)
Items that may be reclassified to profit or loss	(31,845)	(29,808)	(28,833)
Non-controlling interest	7,775	8,818	8,575
Other comprehensive income	(1,872)	(1,559)	(1,484)
Other items	9,647	10,377	10,059
TOTAL EQUITY	**103,648**	**104,241**	**102,044**
TOTAL LIABILITIES AND EQUITY	**1,786,261**	**1,797,062**	**1,780,493**
MEMORANDUM ITEMS: OFF BALANCE SHEET AMOUNTS			
Loan commitments granted	290,151	279,589	283,903
Financial guarantees granted	15,598	15,435	14,401
Other commitments granted	127,420	113,273	113,266

Condensed consolidated income statement

EUR million

	H1'24	H1'23
Interest income	56,838	49,922
Financial assets at fair value through other comprehensive income	3,426	3,629
Financial assets at amortized cost	42,198	37,503
Other interest income	11,214	8,790
Interest expense	(33,381)	(29,002)
Interest income/ (charges)	**23,457**	**20,920**
Dividend income	493	382
Income from companies accounted for using the equity method	303	296
Commission income	8,738	8,277
Commission expense	(2,261)	(2,174)
Gain or losses on financial assets and liabilities not measured at fair value through profit or loss, net	20	22
Financial assets at amortized cost	(43)	6
Other financial assets and liabilities	63	16
Gain or losses on financial assets and liabilities held for trading, net	441	263
Reclassification of financial assets at fair value through other comprehensive income	—	—
Reclassification of financial assets from amortized cost	—	—
Other gains (losses)	441	263
Gains or losses on non-trading financial assets and liabilities mandatorily at fair value through profit or loss	314	26
Reclassification of financial assets at fair value through other comprehensive income	—	—
Reclassification of financial assets from amortized cost	—	—
Other gains (losses)	314	26
Gain or losses on financial assets and liabilities measured at fair value through profit or loss, net	427	(194)
Gain or losses from hedge accounting, net	14	108
Exchange differences, net	(259)	1,077
Other operating income (*)	409	480
Other operating expenses	(1,391)	(1,504)
Income from insurance and reinsurance contracts	249	414
Expenses from insurance and reinsurance contracts	(239)	(383)
Total income	**30,715**	**28,010**
Administrative expenses	(11,257)	(10,873)
Staff costs	(7,061)	(6,603)
Other general and administrative expenses	(4,196)	(4,270)
Depreciation and amortization	(1,656)	(1,606)
Provisions or reversal of provisions, net	(1,762)	(1,330)
Impairment or reversal of impairment of financial assets not measured at fair value	(6,577)	(6,237)
Financial assets at fair value through other comprehensive income	(8)	6
Financial assets at amortized cost	(6,569)	(6,243)
Impairment of investments in subsidiaries, joint ventures and associates, net	—	—
Impairment on non-financial assets, net	(290)	(92)
Tangible assets	(183)	(78)
Intangible assets	(105)	(5)
Others	(2)	(9)
Gain or losses on non-financial assets and investments, net	366	277
Negative goodwill recognized in results	—	—
Gains or losses on non-current assets held for sale not classified as discontinued operations	(31)	(59)
Operating profit/(loss) before tax	**9,508**	**8,090**
Tax expense or income from continuing operations	(2,916)	(2,281)
Profit/(loss) for the period from continuing operations	**6,592**	**5,809**
Profit/(loss) after tax from discontinued operations	—	—
Profit/(loss) for the period	**6,592**	**5,809**
Profit attributable to non-controlling interests	533	568
Profit/(loss) attributable to the parent	6,059	5,241

Earnings/(losses) per share		
Basic	0.37	0.31
Diluted	0.37	0.31

(*) Includes -EUR 687 million at 30 June 2024 (-EUR 574 million at 30 June 2023) derived from the net monetary loss generated in Argentina as a result of the application of IAS 29 Financial reporting in hyperinflationary economies.

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
- **APM**: Alternative Performance Measures
- **A2A**: account-to-account payment
- **AuMs**: Assets under management
- **bn**: Billion
- **BNPL**: Buy now, pay later
- bps: basis points
- **CDI**: CREST Depository Interest
- **CET1**: Common Equity Tier 1
- **CF**: Corporate Finance
- **CHF**: Swiss francs
- **CIB**: Corporate & Investment Banking
- **CNMV**: Spanish National Securities Market Commission (Comisión Nacional del Mercado de Valores)
- **Consumer**: Digital Consumer Bank
- **Costs in real terms**: variations excluding the effect of average inflation over the last twelve months
- **DCBE**: Digital Consumer Bank Europe
- **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
- **ECB**: European Central Bank
- **EPS**: Earnings per share
- **ESG**: Environmental, Social and Governance
- **ESMA**: European Securities and Markets Authority
- **Fed**: Federal Reserve
- **Financial inclusion**: Number of people who are unbanked, underbanked, in financial difficulty, with difficulties in accessing credit who, through the Group's products and services, are able to access the financial system or receive tailored finance. Financially underserved groups are defined as people who do not have a current account, or who have an account but obtained alternative (non-bank) financial services in the last 12 months. Beneficiaries of various programmes are included in the quantification process only once in the entire period. Only new empowered people are counted, taking as a base year those existing since 2019.
- **FX**: Foreign Exchange
- **GB**: Global Banking
- **GDF**: Global Debt Financing
- **GDP**: Gross Domestic Product
- **GTB**: Global Transaction Banking
- **IA**: Artificial intelligence
- **IFRS 9**: International Financial Reporting Standard 9, regarding financial instruments
- **IFRS 17**: International Financial Reporting Standard 9, regarding insurance contracts
- **IT**: Information technology
- **LCR**: Liquidity Coverage Ratio
- **LLPs**: Loan-loss provisions
- **MDA**: Maximum Distributable Amount
- **mn**: Million
- **MREL**: Minimum Requirement for own funds and eligible liabilities)
- **NII**: Net Interest Income
- **NPS**: Net Promoter Score
- **ODS**: Open Digital Services
- **PBT**: Profit before tax
- **pp**: percentage points
- **QoQ**: quarter-on-quarter
- **P2R**: Pillar 2 requirement
- **Payments**: PagoNxt (Getnet, Ebury y PagoNxt Payments) y Cards
- **PB**: Private Banking
- **Retail**: Retail & Commercial Banking
- **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.
- **SCIB**: Santander Corporate & Investment Banking
- **SC USA**: Santander Consumer USA
- **SEC**: Securities and Exchanges Commission
- **SHUSA**: Santander Holdings USA, Inc.
- **SMEs**: Small and medium enterprises
- **SRF**: Single Resolution Fund
- **TLAC**: The total loss-absorbing capacity requirement which is required to be met under the CRD V package
- **TNAV**: Tangible net asset value
- **TPV**: Total payments volume
- **VaR**: Value at Risk
- **Wealth**: Wealth Management & Insurance
- **YoY**: year-on-year

Important information

Non-IFRS and alternative performance measures

This report contains financial information prepared according to International Financial Reporting Standards (IFRS) and taken from our consolidated financial statements, as well as 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. The APMs and non-IFRS measures were calculated with information from Grupo Santander; however, they are neither defined or detailed in the applicable financial reporting framework nor audited or reviewed by our auditors. We use these APMs and non-IFRS measures when planning, monitoring and evaluating our performance. We consider them to be useful metrics for our management and investors to compare operating performance between periods. APMs we use are presented unless otherwise specified on a constant FX basis, which is computed by adjusting comparative period reported data for the effects of foreign currency translation differences, which distort period-on-period comparisons. Nonetheless, the APMs and non-IFRS measures are supplemental information; their purpose is not 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. APMs using ESG labels have not been calculated in accordance with the Taxonomy Regulation or with the indicators for principal adverse impact in SFDR. 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 2023 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the SEC) on 21 February 2024 (https://www.santander.com/content/dam/santander-com/en/documentos/informacion-sobre-resultados-semestrales-y-anuales-suministrada-a-la-sec/2024/sec-2023-annual-20-f-2023-en.pdf), as well as the section "Alternative performance measures" of this Banco Santander, S.A. (Santander) Q2 2024 Financial Report, published on 24 July 2024 (https://www.santander.com/en/shareholders-and-investors/financial-and-economic-information#quarterly-results). Underlying measures, which are included in this report, are non-IFRS measures.

The businesses included in each of our geographic segments and the accounting principles under which their results are presented here may differ from the businesses included 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.

Non-financial information

This report contains, in addition to financial information, non-financial information (NFI), including environmental, social and governance-related metrics, statements, goals, commitments and opinions.

NFI is not audited nor reviewed by an external auditor. NFI is prepared following various external and internal frameworks, reporting guidelines and measurement, collection and verification methods and practices, which are materially different from those applicable to financial information and are in many cases emerging and evolving. NFI is based on various materiality thresholds, estimates, assumptions, judgments and underlying data derived internally and from third parties. NFI is thus subject to significant measurement uncertainties, may not be comparable to NFI of other companies or over time or across periods and its inclusion is not meant to imply that the information is fit for any particular purpose or that it is material to us under mandatory reporting standards. NFI is for informational purposes only and without any liability being accepted in connection with it except where such liability cannot be limited under overriding provisions of applicable law.

Forward-looking statements

Santander hereby warns that this report contains "forward-looking statements" as per the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Such statements can be understood through words and expressions like "expect", "project", "anticipate", "should", "intend", "probability", "risk", "VaR", "RoRAC", "RoRWA", "TNAV", "target", "goal", "objective", "estimate", "future", "commitment", "commit", "focus", "pledge" and similar expressions. They include (but are not limited to) statements on future business development, shareholder remuneration policy and NFI.

While these forward-looking statements represent our judgement and future expectations concerning our business developments, results may differ materially from those anticipated, expected, projected or assumed in forward-looking statements.

In particular, 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 and may change, including, but not limited to (a) 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' (including governments and other public actors) energy and climate strategies, and the underlying assumptions and estimated impacts on Santander's and third-parties' businesses related thereto; (b) Santander's and third-parties' approach, plans and expectations in relation to carbon use and targeted reductions of emissions, which may be affected by conflicting interests such as energy security; (c) changes in operations or investments under existing or future environmental laws and regulations; (d) changes in rules and regulations, regulatory requirements and internal policies, including those related to climate-related initiatives; (e) our own decisions and actions including those affecting or changing our practices, operations, priorities, strategies, policies or procedures; (f) events that lead to damage to our reputation and brand; (g) exposure to operational losses, including as a result of cyberattacks, data breaches or other security incidents; and (h) the uncertainty over the scope of actions that may be required by us, governments and others to achieve goals relating to climate, environmental and social matters, as well as the evolving nature of underlying science and industry and governmental standards and regulations.

In addition, the important factors described 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 lead to outcomes materially different from what our forward-looking statements anticipate, expect, project or assume.

Forward-looking statements are therefore 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. Santander does not accept any liability in connection with forward-looking statements except where such liability cannot be limited under overriding provisions of applicable law.

Not a securities offer

This report and the information it contains does not constitute an offer to sell nor the solicitation of an offer to buy any securities.

Past performance does not indicate future outcomes

Statements about historical performance or growth rates must not be construed as suggesting that future performance, share price or results (including earnings per share) will necessarily be the same or higher than in a previous period. Nothing in this report should be taken as a profit and loss 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.

This document is a translation of a document originally issued in Spanish. Should there be any discrepancies between the English and the Spanish versions, only the original Spanish version should be binding.

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