

Banco Santander (Brasil) S.A.

Consolidated Condensed Interim Financial Statements
Prepared in accordance with IAS 34

June 30, 2023

Simple | Personal | Fair



BANCO SANTANDER (BRASIL) S.A.
CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

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Report on review of consolidated condensed interim financial statements

To the Board of Directors and Stockholders

Banco Santander (Brasil) S.A.

Introduction

We have reviewed the consolidated condensed balance sheet of Banco Santander (Brasil) S.A. ("Bank") and its subsidiaries as at June 30, 2023 and the related consolidated condensed statements of income and comprehensive income for the quarter and six-month period then ended, and the consolidated condensed statements of changes in stockholders' equity and cash flows for the six-month period then ended, and explanatory notes.

Management is responsible for the preparation and presentation of these consolidated condensed interim financial statements in accordance with the International Accounting Standard (IAS) 34 - "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and ISRE 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently did not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements referred to above are not prepared, in all material respects, in accordance with the International Accounting Standard IAS 34 - "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB).




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Other matters

Condensed statement of value added

The consolidated condensed interim financial statements referred to above include the consolidated condensed statement of value added for the six-month period ended June 30, 2023, prepared under the responsibility of the Bank's management and presented as supplementary information for IAS 34 purposes. This statement has been subjected to review procedures performed together with the review of the consolidated condensed interim financial statements, for the purpose of concluding whether it is reconciled with the consolidated condensed interim financial statements and accounting records, as applicable, and if its form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that this consolidated condensed statement of value added has not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the consolidated condensed interim financial statements taken as a whole.

São Paulo, July 26, 2023


PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5


Caio Fernandes Arantes
Contador CRC 1SP222767/O-3

* Values expressed in thousands, except when indicated.

Consolidated Condensed Balance Sheet

ASSETS	Note	30/06/2023	12/31/2022
Cash		20,697,113	22,003,439
Financial Assets Measured At Fair Value Through Profit Or Loss	3.a	175,469,145	145,515,302
Debt instruments		78,697,271	66,191,454
Equity instruments		3,296,992	2,605,279
Derivatives	18	31,199,726	20,234,506
Loans and advances to customers		1,600,835	1,894,282
Balances With The Brazilian Central Bank		60,674,321	54,589,781
Financial Assets Measured At Fair Value Through Other Comprehensive Income	3.a	52,519,958	55,425,671
Debt instruments		52,496,072	55,392,178
Equity instruments		23,886	33,493
Financial Assets Measured At Amortized Cost	3.a	712,139,691	663,824,373
Loans and amounts due from credit institutions		28,823,598	20,713,315
Loans and advances to customers		497,705,744	488,735,746
Debt instruments		108,190,462	81,329,013
Reserves at the Central Bank of Brazil		77,419,887	73,046,299
Hedging Derivatives	18	121,982	1,741,318
Non-Current Assets Held For Sale	4	759,445	699,136
Investments in Associates and Joint Ventures	5.a	1,556,576	1,727,570
Tax Assets		49,165,370	46,445,994
Current		8,999,172	7,838,406
Deferred		40,166,198	38,607,588
Other Assets		6,219,972	8,274,529
Tangible Assets	6.a	7,669,772	8,190,763
Intangible Assets		31,885,510	31,602,734
Goodwill	7	27,851,081	27,889,327
Other intangible assets	8	4,034,429	3,713,407
Total Assets		1,058,204,534	985,450,829

* Values expressed in thousands, except when indicated.

LIABILITIES AND STOCKHOLDERS' EQUITY

	Note	30/06/2023	12/31/2022
Financial Liabilities Measured At Fair Value Through Profit Or Loss Held For Trading	9.a	62,142,956	49,668,266
Trading derivatives		27,662,977	18,699,325
Short positions		27,513,726	22,047,423
Other financial liabilities		6,966,253	8,921,518
Financial Liabilities Measured at Amortized Cost	9.a	851,865,956	795,284,100
Deposits from Brazilian Central Bank and deposits from credit institutions		123,112,350	116,079,014
Customer deposits		511,040,435	489,953,489
Marketable debt securities		127,042,251	107,120,875
Debt Instruments Eligible to Compose Capital		19,008,268	19,537,618
Other financial liabilities		71,662,652	62,593,104
Hedging Derivatives	18	1,620,000	-
Provisions	10.a	10,649,394	9,115,143
Provisions for pension funds and similar obligations		2,318,992	1,775,202
Provisions for judicial and administrative proceedings, commitments and other provisions		8,330,402	7,339,941
Tax Liabilities		7,323,074	7,810,800
Current		4,277,521	4,168,800
Deferred		3,045,553	3,642,000
Other Liabilities		11,505,385	12,892,344
Total Liabilities		945,106,765	874,770,653
Stockholders' Equity		116,521,582	114,669,276
Share Capital	11.a	55,000,000	55,000,000
Reserves	11.c	61,191,995	54,701,499
Treasury shares	11.d	(1,103,035)	(1,219,316)
Profit for the period attributable to the Parent		4,632,622	14,287,093
Dividends	11.b	(3,200,000)	(8,100,000)
Other Comprehensive Income		(3,932,847)	(4,486,442)
Stockholders' Equity Attributable to the Parent		112,588,735	110,182,834
Non - Controlling Interests		509,034	497,342
Total Stockholders' Equity		113,097,769	110,680,176
Total Liabilities and Stockholders' Equity		1,058,204,534	985,450,829

The explanatory notes are an integral part of the condensed consolidated financial statements.

* Values expressed in thousands, except when indicated.

Consolidated Condensed Statements of Income

	Notes	04/01 to 06/30/2023	04/01 to 06/30/2022	01/01 to 06/30/2023	01/01 to 06/30/2022
Interest and similar income		30,854,182	27,913,019	63,003,357	54,273,861
Interest expense and similar charges		(21,016,966)	(16,410,401)	(40,607,149)	(29,323,041)
Net Interest Income		9,837,216	11,502,618	22,396,208	24,950,820
Income from equity instruments		24,269	20,204	28,553	20,004
Income from companies accounted by the equity method	5.a	48,166	42,986	105,893	65,859
Fee and commission income		5,306,574	5,359,005	11,061,127	10,460,769
Fee and commission expense		(1,519,584)	(1,583,823)	(3,277,724)	(3,041,327)
Gains (losses) on financial assets and liabilities (net)		2,498,577	(7,162,341)	2,942,649	2,999,466
Financial Assets Measured At Fair Value Through Profit Or Loss		2,465,849	(5,038,408)	3,345,509	4,978,365
Financial instruments not measured at fair value through profit or loss		(156,846)	(1,885,635)	(429,835)	(2,474,473)
Other		189,575	(238,298)	26,975	495,574
Exchange differences (net)		(1,191,979)	8,535,521	(797,898)	(1,830,430)
Other operating expense		(155,288)	(22,062)	(385,153)	(25,337)
Total Income		14,847,951	16,692,108	32,073,655	33,599,824
Administrative expenses		(4,759,485)	(4,241,330)	(9,526,611)	(8,745,786)
Personnel expenses	13.a	(2,643,850)	(2,335,298)	(5,309,884)	(4,786,799)
Other administrative expenses	13.b	(2,115,635)	(1,906,032)	(4,216,727)	(3,958,987)
Depreciation and amortization		(686,059)	(652,141)	(1,374,436)	(1,256,946)
Tangible assets	6.a	(477,216)	(465,806)	(950,913)	(924,821)
Intangible assets	8	(208,843)	(186,335)	(423,523)	(332,125)
Provisions (net)		(1,124,825)	(229,995)	(2,160,799)	(895,856)
Impairment losses on financial assets (net)		(6,056,141)	(6,306,408)	(14,108,478)	(11,364,934)
Financial Instruments Measured At Amortized Cost	3.b.2	(6,056,141)	(6,306,408)	(14,108,478)	(11,364,934)
Impairment losses on other assets (net)		(35,949)	7,119	(67,356)	(56,459)
Other intangible assets	8	(2,388)	(1,169)	(5,137)	(13,061)
Other assets		(33,561)	(8,288)	(62,219)	(43,398)
Gains (losses) on disposal of assets not classified as non-current assets held for sale		917,258	11,931	970,859	8,756
Gains (losses) on non-current assets held for sale not classified as discontinued operations		(20,456)	13,108	(2,170)	72,944
Operating Income Before Tax		3,082,294	5,294,392	5,804,664	11,361,543
Income taxes	12	(1,477,401)	(1,106,868)	(1,152,300)	(3,354,581)
Net income for the semester		1,604,893	4,187,524	4,652,364	8,006,962
Profit attributable to the Parent		1,592,595	4,142,721	4,632,622	7,943,497
Profit attributable to non-controlling interests		12,298	44,803	19,742	63,465

The accompanying notes from Management are an integral part of these financial statements.

* Values expressed in thousands, except when indicated.

Consolidated Condensed Statements of Comprehensive Income

	04/01 a 06/30/2023	04/01 a 06/30/2022	01/01 a 06/30/2023	01/01 a 06/30/2022
Profit for the Period	1,604,893	4,187,524	4,652,364	8,006,962
Other Comprehensive Income that will be subsequently reclassified for profit or loss when specific conditions are met:	711,855	(409,161)	967,927	(793,047)
Financial Assets Measured At Fair Value Through Other Comprehensive Income	433,640	(55,418)	524,733	(406,681)
Financial Assets Measured At Fair Value Through Other Comprehensive Income	637,283	(143,237)	957,801	(593,831)
Taxes	(203,643)	87,819	(433,068)	187,150
Cash flow hedges	278,215	(353,743)	443,194	(386,366)
Valuation adjustments	530,514	(610,336)	845,104	(742,578)
Taxes	(252,299)	256,593	(401,910)	356,212
Other Comprehensive Income that won't be reclassified for Net income:	(396,752)	32,751	(414,332)	132,434
Defined Benefits plan	(396,752)	32,751	(414,332)	132,434
Defined Benefits plan	(689,588)	96,755	(689,588)	318,475
Taxes	292,836	(64,004)	275,256	(186,041)
Total Comprehensive Income	1,919,996	3,811,114	5,205,959	7,346,349
Attributable to the parent	1,907,698	3,766,311	5,186,217	7,282,884
Attributable to non-controlling interests	12,298	44,803	19,742	63,465
Total	1,919,996	3,811,114	5,205,959	7,346,349

The explanatory notes are an integral part of the condensed consolidated financial statements.

* Values expressed in thousands, except when indicated.

Consolidated Condensed Statements of Changes in Stockholders' Equity

	Note	Stockholders' Equity Attributable to the Parent											Non-controlling Interests	Total Stockholders' Equity
		Share Capital	Reserves	Treasury shares	Profit Attributed to the Parent	Dividends and Remuneration	Stockholders' Equity Attributable to the Parent	Financial Assets Measured At Fair Value Through Other Comprehensive Income	Defined Benefits plan	Translation adjustments investment abroad	Gains and losses - Cash flow hedge and Investment	Total		
Balances at December 31, 2021		55,000,000	48,880,561	(713,039)	15,528,052	(9,649,000)	109,046,574	(47,576)	(2,924,221)	859,370	(1,294,001)	105,640,146	334,349	105,974,495
Total comprehensive income		-	-	-	7,943,497	-	7,943,497	(406,681)	132,434	-	(386,366)	7,282,884	63,465	7,346,349
Consolidated Net Income for the Period		-	-	-	7,943,497	-	7,943,497	-	-	-	-	7,943,497	63,465	8,006,962
Other comprehensive income		-	-	-	-	-	-	(406,681)	132,434	-	(386,366)	(660,613)	-	(660,613)
Financial Assets Measured At Fair Value Through Other Comprehensive Income		-	-	-	-	-	-	(406,681)	-	-	-	(406,681)	-	(406,681)
Employee benefit plan		-	-	-	-	-	-	-	121,434	-	-	132,434	-	132,434
Gain and loss - Cash flow and investment hedge		-	-	-	-	-	-	-	-	-	(386,366)	(386,366)	-	(386,366)
Appropriation of net income from prior years		-	15,528,052	-	(15,528,052)	-	-	-	-	-	-	-	-	-
Dividends and interest on capital from prior years	11.b	-	(9,649,000)	-	-	9,649,000	-	-	-	-	-	-	-	-
Dividends and interest on capital	11.b	-	-	-	-	(4,700,000)	(4,700,000)	-	-	-	-	(4,700,000)	-	(4,700,000)
Treasury shares	11.d	-	-	(410,024)	-	-	(410,024)	-	-	-	-	(410,024)	-	(410,024)
Other		-	(9,459)	-	-	-	(9,459)	-	-	-	-	(9,459)	66,547	57,088
Balances at June 30, 2022		55,000,000	54,750,154	(1,123,063)	7,943,497	(4,700,000)	111,870,588	(454,257)	(2,791,787)	859,370	(1,680,367)	107,803,547	464,361	108,267,908
Balances at December 31, 2022		55,000,000	54,701,499	(1,219,316)	14,287,093	(8,100,000)	114,669,276	(755,009)	(2,895,520)	859,370	(1,695,283)	110,182,834	497,342	110,680,176
Total comprehensive income		-	-	-	4,632,622	-	4,632,622	524,733	(414,332)	-	443,194	5,186,217	19,742	5,205,959
Net Income Attributable to the Parent Company		-	-	-	4,632,622	-	4,632,622	-	-	-	-	4,632,622	19,742	4,652,364
Other comprehensive income		-	-	-	-	-	-	524,733	(414,332)	-	443,194	553,595	-	553,595
Financial Assets Measured At Fair Value Through Other Comprehensive Income		-	-	-	-	-	-	524,733	-	-	-	524,733	-	524,733
Employee benefit plan		-	-	-	-	-	-	-	(414,332)	-	-	(414,332)	-	(414,332)
Gain and loss - Cash flow and investment hedge		-	-	-	-	-	-	-	-	-	443,194	443,194	-	443,194
Appropriation of net income from prior years		-	14,287,093	-	(14,287,093)	-	-	-	-	-	-	-	-	-
Dividends and interest on capital from prior years	11.b	-	(8,100,000)	-	-	8,100,000	-	-	-	-	-	-	-	-
Dividends and interest on capital	11.b	-	-	-	-	(3,200,000)	(3,200,000)	-	-	-	-	(3,200,000)	-	(3,200,000)
Treasury shares	11.d	-	-	116,281	-	-	116,281	-	-	-	-	116,281	-	116,281
Other		-	303,403	-	-	-	303,403	-	-	-	-	303,403	(8,050)	295,353
Balances as of June 30, 2023		55,000,000	61,191,995	(1,103,035)	4,632,622	(3,200,000)	116,521,582	(230,276)	(3,309,852)	859,370	(1,252,089)	112,588,735	509,034	113,097,769

The explanatory notes are an integral part of the condensed consolidated financial statements.

* Values expressed in thousands, except when indicated.

Consolidated Condensed Statement of Cash Flows

	Note	01/01 to 06/30/2023	01/01 to 06/30/2022
1. Cash Flows From Operating Activities			
Net income for the period		4,652,364	8,006,962
Adjustments to profit		42,211,932	46,956,596
Depreciation of tangible assets	6.a	950,913	924,821
Amortization of intangible assets	8	423,523	332,125
Impairment losses on other assets (net)		67,356	56,459
Provisions and Impairment losses on financial assets (net)		16,269,277	12,260,790
Net Gains (losses) on disposal of tangible assets, investments and non-current assets held for sale		(968,689)	(81,700)
Income from companies accounted by the equity method	5.a	(105,893)	(65,859)
Deferred tax assets and liabilities		(2,904,608)	(395,657)
Monetary Adjustment of Escrow Deposits		(335,867)	(297,401)
Recoverable Taxes		(277,737)	(272,715)
Effects of Changes in Foreign Exchange Rates on Cash and Cash Equivalents		(448,188)	(983)
Effects of Changes in Foreign Exchange Rates on Assets and Liabilities		29,443,557	34,517,159
Other		98,288	(20,443)
Net (increase) decrease in operating assets		(97,146,949)	(66,862,071)
Financial Assets Measured At Fair Value Through Profit Or Loss		(53,953,547)	(74,339,602)
Financial Assets Measured at Fair Value through Other Comprehensive Income		3,359,866	31,547,166
Financial Assets Measured At Amortized Cost		(50,394,636)	(19,641,332)
Other assets		3,841,368	(4,428,303)
Net increase (decrease) in operating liabilities		43,243,377	18,518,244
Financial Liabilities Measured At Fair Value Through Profit Or Loss Held For Trading		12,474,690	5,202,914
Financial liabilities at amortized cost		27,222,064	14,875,435
Other liabilities		3,546,623	(1,560,105)
Tax paid		(4,019,057)	(2,090,499)
Total net cash flows from operating activities (1)		(11,058,333)	4,529,232
2. Cash Flows From Investing Activities			
Investments		(1,882,275)	(1,628,549)
Subsidiary acquisition, less net cash on acquisition		179,762	(406,920)
Tangible assets		(861,350)	(583,389)
Intangible assets		(939,740)	(471,849)
Non-collective assets for sale		(260,947)	(166,391)
Disposal		956,805	300,335
Tangible assets		444,851	93,452
Intangible assets		204,266	166,335
Non-Current Assets Held For Sale		179,813	40,548
Dividends and interest on capital received		127,875	-
Total net cash flows from investing activities (2)		(925,470)	(1,328,214)
3. Cash Flows From Financing Activities			
Acquisition of own shares	11.d	116,281	(410,024)
Issuance of other long-term liabilities		47,232,812	38,506,347
Dividends and interest on capital paid		(2,767,995)	(4,284,788)
Payments of other long-term liabilities		(25,358,540)	(22,123,313)
Interest Payments on Debt Instruments Eligible to Capital		(421,856)	(437,864)
Net increase in non-controlling interests		-	20,446
Capital Increase in Subsidiaries, by Non-Controlling Interests		-	41,348
Total net cash flows from financing activities (3)		18,800,702	11,312,152
Exchange variation on Cash and Cash Equivalents (4)		448,188	983
Net Increase in Cash and cash equivalents (1+2+3+4)		7,265,087	14,514,153
Cash and cash equivalents at the beginning of the period		49,565,334	32,668,749
Cash and cash equivalents at the end of the period		56,830,421	47,182,902

The explanatory notes are an integral part of the condensed consolidated financial statements.

*Values expressed in thousands, except when indicated.

1. Operating context, presentation of condensed consolidated interim financial statements and other information

a) Operational Context

Banco Santander (Brasil) S.A. (Banco Santander or Banco), directly and indirectly controlled by Banco Santander, S.A., headquartered in Spain (Banco Santander Spain), is the leading institution of the Financial and Prudential Conglomerates (Santander Conglomerate) before the Central Bank of Brazil (Bacen), constituted as a joint-stock company, headquartered at Avenida Presidente Juscelino Kubitschek, 2041, Cj.281, Bloco A, Cond. JK Tower – Vila Nova Conceição – São Paulo - SP. Banco Santander operates as a bank multiple and develops its operations through the commercial, investment, credit, financing and investment, real estate credit, leasing and foreign exchange. Through controlled companies, it also operates in the markets of payment institution, syndicate management, securities brokerage, insurance brokerage, loan financing consumption, digital platforms, benefit management, management and recovery of non-performing loans, capitalization and pension plans and supply and administration of food, meal and other vouchers. Operations are conducted in the context of a set of institutions that operate in an integrated manner in the financial market. The benefits and costs corresponding to the services provided are absorbed between them and are carried out in the normal course of business and under commutative conditions. The Board of Directors authorized the issuance of condensed consolidated interim financial statements for the period ended June 30, 2023 at the meeting held on July 25, 2023.

The referred Financial Statements and the documents that compose them, were subject to a report without reservation by the Auditors Independent, of recommendation for approval issued by the Audit Committee of Banco Santander.

b) Presentation of condensed consolidated interim financial statements (prepared in accordance with IAS 34)

The Condensed Consolidated Interim Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and the interpretations issued by the IFRS Interpretations Committee (current name of the International Financial Reporting Interpretations Committee – IFRIC). All relevant information specifically relating to Banco Santander's financial statements, and only with respect to these are being evidenced, and correspond to the information used by Banco Santander in its administration.

For better comparison purposes, some comparative balances were reclassified in the statement of cash flows relating to the result of financial guarantees provided, effects of changes in exchange rates on assets and liabilities and reduction (increase) in other financial assets and liabilities.

c) Other information

c.1) Adoption of new standards and interpretations

The following amendments to standards were adopted for the first time for the financial year beginning January 1, 2023:

- IFRS 17 - In May 2017, the IASB issued the IFRS for insurance contracts that aims to replace IFRS 4. IFRS 17 is dated of implementation January 1, 2023. This standard aims to demonstrate greater transparency and useful information in the financial statements, one of the main changes being the recognition of profits as the services are delivered insurance, in order to assess the performance of insurers over time. Banco Santander assessed and concluded that the impact of IFRS 17 adoption is immaterial.

- **Amendment to IAS 1 "Presentation of Financial Statements"**: the purpose is to clarify that liabilities are classified as current or non-current, depending on the rights that exist at the end of the period. The ranking is not affected by entity's expectations or events after the reporting date. The amendments to IAS 1 are effective as of January 1, 2023 and there is no impact for Santander.

- **Amendment to IAS 8 - Accounting Policies, Estimate Changes and Error Rectification**: clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates, since changes in estimates accounting principles are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events, as well as to the current period. Without impact for Santander

- **Amendment to IAS 12- Income Tax**: requires entities to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This usually applies to lease transactions (right-of-use assets and lease liabilities) and decommissioning obligations and restoration, as an example, and will require the recognition of additional deferred tax assets and liabilities. Santander already adopts this procedure.

**Values expressed in thousands, except when indicated.*

There are no other IFRS standards or IFRIC interpretations that are not yet effective that could have a material impact on the Bank's financial statements.

c.2) Estimates used

Consolidated results and calculation of consolidated equity are impacted by accounting policies, assumptions, estimates and measurement methods used by the Bank's managers in preparing the financial statements. The bank does estimates and assumptions that affect the reported amounts of assets and liabilities for future periods. All estimates and assumptions required, in accordance with IFRSs, are Management's best estimate in accordance with the applicable standard. In the condensed consolidated interim financial statements, estimates are made by the Bank's Management and of consolidated entities in order to quantify certain assets, liabilities, income and expenses and disclosures in the notes.

c.2.1) Critical estimates

The critical estimates and assumptions that have the most significant impact on the accounting balances of certain assets, liabilities, revenues and expenses and in the disclosures of explanatory notes, are described below:

i. Valuation of the fair value of certain financial instruments

Financial instruments are initially recognized at fair value and those that are not measured at fair value in profit or loss are adjusted for transaction costs.

Financial assets and liabilities are subsequently measured, at the end of each period, using valuation techniques. This calculation is based on assumptions, which take into account Management's judgment based on information and market conditions prevailing at the balance sheet date.

Banco Santander classifies fair value measurements using the fair value hierarchy that reflects the model used in the measurement process, segregating financial instruments between Levels I, II or III.

Note 18.b of the Consolidated Interim Financial Statements of June 30, 2023, present the accounting practice and sensitivity analysis for Financial Instruments, respectively..

ii. Provisions for losses on credits due to impairment

The carrying amount of impaired financial assets is adjusted by recording a provision for impairment of "Losses on financial assets (net) – Financial Assets measured at amortized cost" in the consolidated statement of income result. The reversal of previously recorded losses is recognized in the consolidated statement of income in the period in which that the impairment decreases and can be objectively related to a recovery event.

To individually measure the impairment loss on loans assessed for impairment recoverable, the Bank considers the conditions of the counterparty, such as its economic and financial situation, level of indebtedness, income generation capacity, cash flow, management, corporate governance and quality of internal controls, track record payment terms, industry experience, contingencies and credit limits, as well as asset characteristics such as their nature and purpose, type, sufficiency and guarantees of liquidity level and total amount of credit, and also based on historical experience of impairment and other circumstances known at the time of valuation.

To measure the impairment loss on loans that are collectively assessed for impairment, the Bank separates financial assets into groups taking into account the characteristics and similarities of credit risk, or that is, according to the segment, type of assets, guarantees and other factors associated with the historical experience of write-down recoverable and other circumstances known at the time of valuation. Note 6 to the Consolidated Interim Financial Statements of June 30, 2023, presents the accounting practice and credit risk measurement measures, respectively.

iii. Provisions for pension funds

Defined benefit plans are recorded based on an actuarial study, carried out annually by a specialized company, when end of each year, effective for the subsequent period and are recognized in the consolidated statement of income in the Interest and similar expenses and Provisions (net) lines.

The present value of a defined benefit obligation is the present value without deducting any plan assets, payments expected future periods required to settle the obligation arising from employee service in the current and past periods. Additional details are in note 2.w. of the Consolidated Financial Statements of December 31, 2022.

*Values expressed in thousands, except when indicated.

iv. Provisions, assets and contingent liabilities

Provisions for legal and administrative proceedings are set up when the risk of losing the judicial or administrative action is assessed as probable and the amounts involved are measurable with sufficient certainty, based on the nature, complexity and history of actions and in the opinion of internal and external legal advisors.

Explanatory note 2.q presents information and any significant changes to provisions and assets and liabilities Bank quotas between December 31, 2020, December 31, 2021 and December 31, 2022.

v. Goodwill

The registered goodwill is subject to an impairment test, at least once a year or in a shorter period, in case of any indication of impairment of the asset.

The basis used for the impairment test is the value in use and, for this purpose, the cash flow is estimated for a period minimum of 5 years. The cash flow was prepared considering several factors, such as: (i) macroeconomic interest rate projections, inflation, exchange rate and others; (ii) behavior and growth estimates of the national financial system; (iii) increase in costs, returns, synergies and investment plan; (iv) customer behavior; and (v) growth rate and adjustments applied to perpetuity flows. The adoption of these estimates involves the probability of occurrence of future events and the change of any of these factors could have a different outcome. The cash flow estimate is based on a valuation prepared by the company independent expert, annually or whenever there are signs of a reduction in its recovery value, which is reviewed and approved by the Administration.

Additional details are in note 7.

vi. Expectation of realization of tax credits

Deferred tax assets and liabilities include temporary differences, identified as amounts expected to be recovered or paid on differences between the book values of assets and liabilities and their respective calculation bases, and credits of tax losses and the negative base of the accumulated CSLL. These amounts are measured at the rates expected to apply in the period in which the asset is realized or the liability is settled. Deferred tax assets are only recognized for temporary differences to the extent it is considered probable that the consolidated entities will have sufficient future taxable profits against which the assets deferred tax can be used.

Other deferred tax assets (credits from accumulated tax losses) are only recognized if it is considered probable that the consolidated entities will have sufficient future taxable profits to be utilized.

Recognized deferred tax assets and liabilities are reviewed at each balance sheet date, making the adjustments appropriate based on the findings of the analyzes carried out. The expectation of realizing the Bank's deferred tax assets is based on projections of future results and based on a technical study.

For additional details, see note 2.z of the Consolidated Financial Statements as of December 31, 2022.

2. Basis of consolidation

The direct and indirect controlled entities and investment funds included in Banco Santander's Condensed Consolidated Financial Statements are highlighted below. Similar information on companies accounted for by the equity method by the Bank is provided in note 5.

Investments	Activity	Quantity of Shares or Quotas Owned (in Thousands)		06/30/2023	
		Common Shares and Quotas	Preferred Shares	Direct Participation	Consolidated Participation
Controlled by Banco Santander					
Aymoré Crédito, Financiamento e Investimento S.A. (Aymoré CFI)	Financial	50,159	-	100.00%	100.00%
Ben Benefícios e Serviços Instituição de Pagamentos S.A.(BEN Benefícios)	Payment Method	90,000	-	100.00%	100.00%
Esfera Fidelidade S.A.	Services provision	10,001	-	100.00%	100.00%
Gira - Gestão Integrada de Recebíveis do Agronegócio S.A.	Technology	381	-	80.00%	80.00%
Em Dia Serviços Especializados em Cobrança Ltda.	Collection and Recover of Credit Management	257,306	-	100.00%	100.00%

Independent Auditors' Report	Financial Statements	Explanatory Notes	Management Report	Composition of Management
<i>*Values expressed in thousands, except when indicated.</i>				
		Collection and Recover of Credit Management		
Return Capital Serviços de Recuperação de Créditos S.A.			31,857	- 100.00% 100.00%
Rojo Entretenimento S.A.		Services Provision	7,417	- 94.60% 94.60%
		Provision of Digital Media Services		
Sanb Promotora de Vendas e Cobrança Ltda.			71,181	- 100.00% 100.00%
Sancap Investimentos e Participações S.A. (Sancap)		Holding	23,538,159	- 100.00% 100.00%
Santander Brasil Administradora de Consórcio Ltda. (Santander Brasil Consórcio)		Buying Club	872,186	- 100.00% 100.00%
Santander Corretora de Câmbio e Valores Mobiliários S.A.(Santander CCVM)		Broker	14,067,640	14,067,640 99.99% 99.99%
Santander Corretora de Seguros, Investimentos e Serviços S.A. (Santander Corretora de Seguros)		Broker	7,184	- 100.00% 100.00%
Santander Holding Imobiliária S.A.		Holding	558,601	- 100.00% 100.00%
Santander Leasing S.A. Arrendamento Mercantil (Santander Leasing)		Leasing	164	- 100.00% 100.00%
F1RST Tecnologia e Inovação Ltda.		Other Activities	241,941	- 100.00% 100.00%
SX Negócios Ltda.		Other Activities	75,050	- 100.00% 100.00%
Tools Soluções e Serviços Compartilhados Ltda.		Other Activities	192,000	- 100.00% 100.00%
Controlled by Aymoré CFI				
Banco PSA Finance Brasil S.A. (Banco PSA)		Bank	105	- 0.00% 50.00%
Banco Hyundai Capital Brasil S.A.		Bank	150,000	- 0.00% 50.00%
Solution 4Fleet Consultoria Empresarial S.A. (Solution 4Fleet)		Technology	328	- 0.00% 80.00%
Controlled by Santander Leasing				
Banco Bandepe S.A.		Bank	3,589	- 0.00% 100.00%
Santander Distribuidora de Títulos e Valores Mobiliários S.A. (Santander DTVM)		Distributor	461	- 0.00% 100.00%
Controlled by Sancap				
Santander Capitalização S.A. (Santander Capitalização)		Capitalization	64,615	- 0.00% 100.00%
Evidence Previdência S.A.		Private Pension	42,819,564	- 0.00% 100.00%
Controlled by Santander Holding Imobiliária S.A.				
Summer Empreendimentos Ltda.		Real Estate	17,084	- 0.00% 100.00%
Apê11 Tecnologia e Negócios Imobiliários S.A. (Apê11)		Technology	3,808	- 0.00% 90.00%
Controlled by Santander Distribuidora de Títulos e Valores Mobiliários S.A.				
Toro Corretora de Títulos e Valores Mobiliários Ltda. (Toro CTVM)		Broker	21,559	- 0.00% 62.51%
Toro Investimentos S.A.		Broker	44,101	- 0.00% 14.78%
Controlled by Toro Corretora de Títulos de Valores Mobiliários Ltda.				
Toro Investimentos S.A.		Investments	228,461	- 0.00% 76.55%
Jointly Controlled Companies by Sancap				
Santander Auto S.A.		Technology	22,452	- 0.00% 50.00%
Controlled by Toro Investimentos S.A.				
Monetus Investimentos S.A.		Investments	918,264	- 0.00% 100.00%
Mobills Labs Soluções em Tecnologia Ltda.		Technology	1,122,000	- 0.00% 100.00%
Controlled by Mobills Labs Soluções em Tecnologia Ltda.				
Mob Soluções em Tecnologia Ltda.		Technology	20	- 0.00% 100.00%
Controlled by Monetus Investimentos S.A.				
Monetus Corretora de Seguros Ltda.		Broker	3,010	- 0.00% 100.00%

Consolidated Investment Funds

- Santander Fundo de Investimento Amazonas Multimercado Crédito Privado de Investimento Abroad (Santander FI Amazon);
- Santander Fundo de Investimento Diamantina Multimercado Crédito Privado de Investimento Abroad (Santander FI Diamantina);
- Santander Fundo de Investimento Guarujá Multimercado Crédito Privado de Investimento Abroad (Santander FI Guarujá);
- Santander Fundo de Investimento Unix Multimercado Crédito Privado (Santander FI Unix);
- Santander Investment Fund SBAC Referenciado DI Crédito Privado (Santander FI SBAC);
- Santander Paraty QIF PLC (Santander Paraty) (4);
- Sale of Credit Rights Investment Fund Vehicles (Sale of FIDC Vehicles) (1);
- Prime 16 – Real Estate Investment Fund (current name of BRL V - Real Estate Investment Fund - FII) (2);

*Values expressed in thousands, except when indicated.

- Santander FI Hedge Strategies Fund (Santander FI Hedge Strategies) (3);
- NPL Ipanema VI Multisegment Credit Rights Investment Fund - Non-Standardized (Investment Fund Ipanema NPL VI) (4);
- Santander Hermes Multimercado Private Credit Infrastructure Investment Fund;
- Wholesale Credit Rights Investment Fund – Non-Standardized;
- Atual – Multimarket Investment Fund Credit Privado Investimento Abroad (5);
- Credit Rights Investment Fund – Getnet (6);
- Santander Flex Credit Rights Investment Fund (7) and;
- San Créditos Estruturados – Investment Fund in Non-Standardized Credit Rights (7).

- (1) Renault assembler (an entity not belonging to the Santander Conglomerate) sells its bills to the Fund. This Fund buys exclusively duplicates of the automaker Renault. In turn, Banco RCI Brasil S.A. holds 100% of its subordinated shares.
- (2) Banco Santander appeared as the creditor of certain overdue credit operations that had real estate as collateral. The operation for the recovery of these credits consists of the contribution of the properties in guarantee to the capital of the Real Estate Investment Fund, the consequent transfer of the Fund's quotas to Banco Santander, in lieu of payment for the credit operations mentioned above.
- (3) Banco Santander, through its subsidiaries, holds the risks and rewards of Santander Paraty and the Santander FI Hedge Subfund Strategies, residing in Ireland, and both are fully consolidated in its Consolidated Financial Statements. Santander Paraty does not have its own equity position, and all records come from the financial position of Santander FI Hedge Strategies.
- (4) Atual Serviços de Recuperação de Créditos e Meios Digitais S.A. (current name of Atual Companhia Securitizadora de Créditos Financieros), a company that acquired certain credit operations from Banco Santander (overdue for more than 360 days) and controlled by Banco Santander holds 100% of the shares in this fund.
- (5) This fund started to be consolidated in August 2020 and is controlled by Atual Serviços de Recuperação de Créditos and Meios Digitais SA
- (6) This fund became consolidated in June 2022 and is controlled through Aymoré CFI, which holds 100% of the shares in this fund.
- (7) These funds started to be consolidated in November 2022 and are controlled by Return Capital Serviços de Recuperação de Crédito S.A., holds 100% of the shares in these funds.

Corporate movements were implemented in order to reorganize the operations and activities of the entities in accordance with Santander Conglomerate's business plan

a) Acquisition of the entire shareholding in Toro Participações S.A.

On June 7, 2023, Banco Santander entered into, with the shareholders of Toro Participações S.A. ("Toro Participações"), a contract for the acquisition of all the shares of Toro Participações, so that, once the operation is carried out, it will hold, indirectly, the ownership of 100% of the share capital of Toro Corretora de Títulos e Valores Mobiliários S.A. and Toro Investimentos SA ("Operation").

The conclusion of the Transaction will be subject to the fulfillment of certain suspensive conditions usual in similar transactions, including obtaining the relevant regulatory authorizations.

b) Sale of Santander Corretora's stake in Webmotors S.A. for carsales.com Investments PTY LTD

On April 28, 2023, Santander Corretora de Seguros, Investimentos e Serviços S.A. ("Santander Corretora") concluded the operation for the sale of shares representing 40% of the share capital of Webmotors S.A. ("Webmotors") for Carsales.com Investments PTY LTD ("Carsales") ("Operation").

With the conclusion of the Transaction, Santander Corretora holds 30% and Carsales 70% of the share capital of Webmotors.

c) Investment by Santander Corretora de Seguros, Investimentos e Serviços S.A. at Biomas – Serviços Ambientais, Restauração e Carbono S.A.

On November 9, 2022, Santander Corretora de Seguros, Investimentos e Serviços S.A. ("Santander Corretora") entered into a investment agreement to become a shareholder ("Operation") of Biomas – Serviços Ambientais, Restauração e Carbono S.A. ("Biomes"). Biomas is a company formed with the purpose of providing services aimed at the development and execution of activities aimed at restoring and conserving biodiversity and natural ecosystems, thus aligning with the ESG purposes (Environmental, Social and Governance) of Grupo Santander.

On March 21, 2023, with the conclusion of the Transaction, Santander Corretora now holds 16.66% of the shareholding in Biomes.

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d) Investment by Lexisnexis Serviços de Análise de Risco Ltda. at Credit Intelligence Manager S.A.

On December 20, 2022, Banco Santander, together with the other shareholders, carried out the closing of the investment operation, through the subscription of new shares, by Lexisnexis Serviços de Análise de Risco Ltda. ("Lexisnexis") at Gestora de Informação de Crédito S.A. ("GIC"). With the conclusion of the subscription, Lexisnexis becomes the main shareholder of shares equivalent to 20% (twenty percent) of GIC's share capital.

With the implementation of the closure and the entry of Lexisnexis into the GIC, Santander now holds 15.559% of the shares of issuance of the GIC.

e) Sale of the entire stake held by Aymoré Crédito, Financiamento e Investimento S.A. at Banque PSA Finance, S.A. and Santander Corretora de Seguros, Investimentos e Serviços S.A. at PSA Corretora de Seguros e Serviços Ltda.

On November 29, 2022, Aymoré Crédito, Financiamento e Investimento S.A. ("Aymoré") and Santander Corretora de Seguros, Investimentos e Serviços S.A. ("Santander Corretora de Seguros") formalized, with Banque PSA Finance, S.A. ("Banque PSA") and Stellantis Services Ltd. ("Stellantis Services"), certain share purchase and sale agreement and other covenants referring to the sale of equity interests held by Aymoré, representing 50% (fifty percent) of the share capital of Banco PSA Finance Brasil S.A., for Banque PSA, and (b) for Santander Corretora de Seguros, representing 50% (fifty percent) of the share capital of PSA Corretora de Seguros e Serviços Ltda., to Stellantis Services ("Transaction"). The execution of the Transaction will be subject to the implementation of certain usual conditions in this type of transaction, including the applicable regulatory approvals.

f) Total spin-off of Atual Serviços de Recuperação de Créditos and Meios Digitais S.A. to Return Capital S.A. and Leadership Specialized Billing Services Ltda.

On October 31, 2022, Atual Serviços de Recuperação de Créditos e Meios Digitais S.A. ("Atual") was fully spun off with its equity absorbed by both of its direct subsidiaries, Return Capital S.A. ("Return") and Leadership Services Specialized in Billing Ltd. ("Leadership") in accordance with the proportions established in the Transaction's Protocol and Justification. With the implementation of the total spin-off, Return had its capital increased by BRL 3,990,617,559.32 and Leadership by BRL 267,027,054.61, both became directly owned by Banco Santander (Brasil) S.A. as the sole shareholder of Return and sole partner of Leadership.

g) Acquisition of interest in SX Tools Soluções e Serviços Escolhas Ltda.

On September 26, 2022, Banco Santander subscribed to the capital increase at SX Tools Soluções e Serviços Escolhas Ltda ("SX Tools") became the sole shareholder of the company. On September 30, 2022, it was pending capital payment. SX Tools will primarily provide services to Banco Santander and companies in the Group and will focus on contracting technology suppliers aimed at providing such services.

h) Sale Acquisition of interest in the CSD Central of Registration and Deposit Services to the Financial and Capital Markets S.A

On January 21, 2022, Santander Corretora de Seguros, Investimentos e Serviços S.A. ("Santander Corretora"), together with other investors, with the CSD Central de Serviços de Registro e Depósito to Mercados Financeiro e de Capitais S.A. ("CSD BR") and their respective shareholders, a certain investment agreement and other covenants ("Agreement") with a view to the subscription of participation minority interest in CSD BR ("Transaction"). CSD BR operates as a registrar for financial assets, derivatives, securities and insurance policies, authorized by the Central Bank of Brazil, the Securities Commission and the Insurance Superintendence Private. After complying with the precedent conditions established in the Agreement, the closing of the Transaction took place on 26 May 2022, so that Santander Corretora now holds 20% (twenty percent) of the equity interest in CSD BR

i) Sale of the entire stake held in Paytec Tecnologia em Pagamentos Ltda. and Paytec Logistics and Warehouse Ltda.

On May 26, 2022, Banco Santander signed, together with Getnet Adquirência e Serviços para Meios de Pagamento S.A. – Institution ("Getnet IP"), the quota purchase and sale agreement, ownership transfer and other agreements, of 100% of the social quotas of Paytec Tecnologia em Pagamentos Ltda. ("Operation"). With the implementation of the Operation, Getnet IP started to directly hold 100% of the shares of Paytec Tecnologia em Pagamentos Ltda and indirectly control Paytec Logística and Warehouse Ltd.

j) Acquisition of Equity Interest in Monetus Investimentos Ltda. and Monetus Corretora de Seguros Ltda

On June 15, 2021, Santander Distribuidora de Títulos e Valores Mobiliários S.A. ("Santander DTVM", new company name of PI Distribuidora de Títulos e Valores Mobiliários S.A.), Toro Corretora de Títulos e Valores Mobiliários S.A. ("Toro CTVM"), and Toro Investimentos S.A. ("Toro Investimentos" and, together with Toro CTVM, "Toro"), together with the partners of Monetus Investimentos Ltda., and Monetus Corretora de Seguros Ltda. (jointly "Monetus"), investment agreement and other covenants, by which, once the

*Values expressed in thousands, except when indicated.

operation is carried out, Toro Investimentos would hold 100% of the capital stock of Monetus ("Operation"). To Monetus, Originally from Belo Horizonte, it carries out its activities through an automated objective-based investment application. After compliance with the applicable conditions precedent, the closing of the Transaction was formalized on January 4, 2022.

k) Acquisition of Equity Interest in Mobills Labs Soluções em Tecnologia Ltda. e Mob Solutions in Technology Ltda.

On June 15, 2021, Santander Distribuidora de Títulos e Valores Mobiliários S.A. ("Santander DTVM", new corporate name of PI Distribuidora de Títulos e Valores Mobiliários S.A.), Toro Corretora de Títulos e Valores Mobiliários S.A. ("Toro CTVM"), and Toro Investimentos S.A. ("Toro Investimentos" and, together with Toro CTVM, "Toro"), together with the partners of Mobills Labs Soluções em Tecnologia Ltda., and Mob Soluções em Tecnologia Ltda (jointly "Mobills"), an investment and other agreements, whereby, once the operation is completed, Toro Investimentos would hold 100% of the capital stock of Mobills ("Operation"). Headquartered in Ceará, Mobills has a variety of financial applications that have a large user base, especially related to financial planning. After the fulfillment of the conditions precedent met, the closing of the Transaction was formalized on January 4, 2022.

3. Financial assets

a) Classification by nature and category

The classification by nature and category for the purpose of valuing the Bank's assets, except for the items related to "Cash and reserves at the Central Bank of Brazil" and "Derivatives used as Hedge", on June 30, 2023 and December 31, 2022 is shown below:

	06/30/2023			
	Financial Assets Measured At Fair Value Through Profit Or Loss	Financial Assets Measured At Fair Value Through Other Comprehensive Income	Financial Assets Measured At Amortized Cost	Total
Balances With The Brazilian Central Bank	60,674,321	-	77,419,887	138,094,208
Loans and amounts due from credit institutions	-	-	28,823,598	28,823,598
Of which:				
Loans and amounts due from credit institutions	-	-	28,831,166	28,831,166
Impairment losses (note 3-b.2)	-	-	(7,568)	(7,568)
Loans and advances to customers	1,600,835	-	497,705,744	499,306,579
Of which:				
Loans and advances to customers, (1)	1,600,835	-	530,430,468	532,031,303
Impairment losses (note 3-b.2)	-	-	(32,724,724)	(32,724,724)
Debt instruments	78,697,271	52,496,072	108,190,462	239,383,805
Of which:				
Debt instruments	78,697,271	52,496,072	109,433,241	240,626,584
Impairment losses (note 3-b.2)	-	-	(1,242,779)	(1,242,779)
Equity instruments	3,296,992	23,886	-	3,320,878
Trading derivatives	31,199,726	-	-	31,199,726
Total	175,469,145	52,519,958	712,139,691	940,128,794

	12/31/2022			
	Financial Assets Measured At Fair Value Through Profit Or Loss	Financial Assets Measured At Fair Value Through Other Comprehensive Income	Financial Assets Measured At Amortized Cost	Total
Balances With The Brazilian Central Bank	54,589,781	-	73,046,299	127,636,080
Loans and amounts due from credit institutions	-	-	20,713,315	20,713,315
Of which:				
Loans and amounts due from credit institutions	-	-	20,725,914	20,725,914
Impairment losses (note 3-b.2)	-	-	(12,599)	(12,599)
Loans and advances to customers	1,894,282	-	488,735,746	490,630,028
Of which:				

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<i>*Values expressed in thousands, except when indicated.</i>				
Loans and advances to customers.(1)		1,894,282	-	522,761,008
Impairment losses (note 3-b.2)		-	-	(34,025,262)
Debt instruments		66,191,454	55,392,178	81,329,013
Of which:				
Debt instruments		66,191,454	55,392,178	82,502,775
Impairment losses (note 3-b.2)		-	-	(1,173,762)
Equity instruments		2,605,279	33,493	-
Trading derivatives		20,234,506	-	-
Total		145,515,302	55,425,671	663,824,373

(1) As of June 30, 2023, the balance recorded under "Loans and advances to customers" referring to operations in the loan portfolio assigned is of R\$29,869 (12/31/2022 - R\$32,647) and R\$29,198 (12/31/2022 - R\$32,138) of "Other financial liabilities - Financial Liabilities Associated with Transfer of Assets".

b) Valuation adjustments arising from impairment of financial assets

b.1) Financial assets measured at fair value through Other Comprehensive Income

As indicated in explanatory note 2 to the Bank's consolidated Interim Financial Statements for the semester ended June 30, 2023, changes in the carrying amount of financial assets and liabilities are recognized in the statement consolidated statement of income and except in the case of financial assets measured at fair value through other comprehensive income, in which changes in fair value are temporarily recognized in consolidated equity, under "Other income comprehensive".

Debits or credits in "Other Comprehensive Income" arising from changes in fair value, remain in equity consolidated net income of the Bank until the respective assets are derecognized, when they are recognized in the statement consolidated result. As part of the fair value measurement process, when there is evidence of impairment losses of these instruments, the amounts are no longer recognized in shareholders' equity under the caption "Financial Assets Measured at Fair Value through Other Comprehensive Income" and are reclassified to the Consolidated Statement of Income at cumulative value on that date.

On June 30, 2023, the Bank analyzed the variations in the fair value of the various assets that make up this portfolio and concluded that, on that date, there were no significant differences whose origin could be considered as arising from impairment losses (impairment). Consequently, all changes in the fair value of these assets are presented in "Other Income Comprehensive". Changes in the balance of other comprehensive income in the interim period are recognized in the statement Consolidated Other Comprehensive Income.

In the second quarter of 2022, in accordance with the best corporate governance practices, Management approved the change in the business model of bonds and securities held for the purpose of collecting contractual cash flows and sell to holds with the objective of collecting contractual cash flows, in the amount of R\$11 billion with no impact on result, with the balance in Equity reversed in full.

This decision is based on a response to changes brought about by the approval of Law 14.031/20 and, with the aim of adapting the new interest rate risk management conditions, the pre-fixed government securities LTNs that were used to cover the interest differential were reclassified on April 1, 2022. Such change in legislation entails changing the Model of Management used by Management to manage these securities, and it is estimated that the LTNs maturing in 2024 do not fit more in "Kept to Collect and Sell" models, and with the extinction of the fiscal asymmetry of investments abroad, such securities will be used exclusively for purposes of collecting cash flows.

Thus, with the reclassification carried out on April 1, 2022, the Federal Public Securities - LTNs maturing in 2024 are no longer recorded at Fair Value in Other Comprehensive Income, and become effective for Principal Payment Only and Interest. This event results in the full reversal of the mark-to-market amount recorded in Other Comprehensive Income on the reclassification date in the gross total of R\$ 1,025 million, reducing, on the other hand, the value of the registered asset.

b.2) Financial assets measured at amortized cost - loans, other amounts with credit institutions and advances to customers

The changes in the provisions for impairment of assets included in "Financial assets measured at amortized cost - loans, other amounts with credit institutions and advances to customers" in the period ended on June 30, 2023 and 2022 were the following:

*Values expressed in thousands, except when indicated.

	01/01 to 06/30/2023	01/01 to 06/30/2022
Balance at beginning of the period	35,211,623	29,723,377
Provision for losses on financial assets	13,653,612	10,819,397
Write-off of impaired balances against recorded impairment allowance	(14,868,938)	(7,886,781)
Exchange Variation	(21,226)	(26,372)
Balance at end of the period (Note 3.a)	33,975,071	32,655,993
Provision for contingent liabilities (note 10.a)	432,684	722,013
Total balance of allowance for impairment losses, including provisions for contingent liabilities	34,407,755	33,351,634
Loans written-off recovery	889,393	394,699
Discount granted	(1,344,259)	(940,206)

Considering the amounts recognized in "Recognition (Reversal) for losses on financial assets", "Recoveries of loans written off as a loss" and "Discount Granted" total R\$14,108,478 and R\$11,364,934 in the periods ended on 30 June 2023 and 2022, respectively

c) Non-recoverable assets

A financial asset is considered non-recoverable when there is objective evidence of the occurrence of events that: (i) cause an adverse impact on the estimated future cash flows on the date of the transaction, in the case of debt instruments (loans and debt securities); (ii) mean that their book value cannot be fully recovered, in the case of equity instruments; (iii) arising from the breach of loan clauses or terms, and (iv) during the bankruptcy process.

The details of changes in the balance of financial assets classified as "Loans, advances to customers and Debt Instruments" considered as non-recoverable due to credit risk in the periods ended June 30, 2023 and 2022 are as follows:

	01/01 to 06/30/2023	01/01 to 06/30/2022
Balance at beginning of the period	39,146,979	26,923,312
Net additions	17,265,368	16,479,086
Write-off of impaired balances against recorded impairment allowance	(16,205,843)	(8,829,821)
Balance at end of the period	40,206,503	34,572,577

d) Provisions for contingent commitments

IFRS 9 requires that the provision for expected credit losses be recorded for financial guarantee contracts provided, that have not yet been honored. It should be measured and accounted for at the provision expense that reflects the credit risk in the in the event of honored guarantees and the endorsed customer does not comply with its contractual obligations. Below is the movement of these provisions for the periods ended June 30, 2023 and 2022.

	01/01 to 06/30/2023	01/01 to 06/30/2022
Balances at the beginning of the period	340,005	908,027
Constitution of provisions for contingent liabilities	73,450	(186,014)
Balances at the end of period	413,455	722,013

4. Non-current assets held for sale

Non-current assets held for sale include assets not in use.

5. Investments in associates and joint ventures

Joint Control

Banco Santander considers investments classified as jointly controlled when they possess a shareholders' agreement, which sets that the strategic, financial and operating decisions requires the unanimous consent of all investors.

Significant Influence

Associates are entities over which the Bank is in a position to exercise significant influence (significant influence is the power to participate in the financial and operating decisions of the investee) but it does not control or has joint control over the investee.

*Values expressed in thousands, except when indicated.

a) Breakdown

	Activity	Country	Participation %	
			06/30/2023	12/31/2022
Jointly Controlled by Banco Santander				
Banco RCI Brasil S.A.	Bank	Brazil	39.89%	39.89%
Estruturadora Brasileira de Projetos S.A. - EBP (1)(2)	Other Activities	Brazil	11.11%	11.11%
Gestora de Inteligência de Crédito (1)	Credit Bureau	Brazil	15.56%	15.56%
Santander Auto S.A.	Other Activities	Brazil	50.00%	50.00%
CIP S.A. (4)	Other Activities	Brasil	17.87%	17.87%
Jointly Controlled by Santander Corretora de Seguros				
Webmotors S.A. (3)(5)	Other Activities	Brazil	30.00%	70.00%
Tecnologia Bancária S.A. - TECBAN (1)	Other Activities	Brazil	18.98%	18.98%
Hyundai Corretora de Seguros	Insurance Broker	Brazil	50.00%	50.00%
PSA Corretora de Seguros e Serviços Ltda. (4)	Insurance Broker	Brazil	50.00%	50.00%
CSD Central de Serviços de Registro e Depósito aos Mercados Financeiro e de Capitais S.A	Other Activities	Brazil	20.00%	20.00%
Biomás - Serviços Ambientais, Restauração e Carbono S.A.	Other Activities	Brazil	16.67%	0.00%
Jointly Controlled by Webmotors S.A.				
Loop Gestão de Pátios S.A. (Loop)	Other Activities	Brazil	51.00%	51.00%
Car10 Tecnologia e Informação S.A. (Car10)	Other Activities	Brazil	66.67%	66.67%
Jointly Controlled by TecBan				
Tbnet Comércio, Locação e Administração Ltda. (Tbnet)	Other Activities	Brazil	100.00%	100.00%
TecBan Serviços Integrados Ltda.	Other Activities	Brazil	100.00%	100.00%
Jointly Controlled by Tbnet				
Tbforte Segurança e Transporte de Valores Ltda. (Tbforte)	Other Activities	Brazil	100.00%	100.00%
Influência Significativa do Banco Santander				
CIP S.A. (4)	Other Activities	Brasil	17.87%	17.87%
Significant Influence of Santander Corretora de Seguros				
Webmotors S.A. (2)(5)	Other Activities	Brazil	30.00%	70.00%

	06/30/2023			12/31/2022		
	Assets	Liabilities	Profit (Loss)	Assets	Liabilities	Profit (Loss)
Jointly Controlled by Banco Santander						
Banco RCI Brasil S.A.	11,304,323	11,243,240	61,082	11,232,921	11,078,109	211,111
Estruturadora Brasileira de Projetos S.A. - EBP	6,849	6,776	90	6,831	11,427	390
Gestora de Inteligência de Crédito	1,274,534	1,296,492	(18,963)	1,565,100	1,642,454	(68,330)
Santander Auto S.A.	227,880	217,671	19,617	208,976	182,551	26,425
Jointly Controlled by Santander Corretora de Seguros						
Tecnologia Bancária S.A. - TECBAN	2,615,998	2,634,896	(18,898)	2,973,912	2,921,075	52,837
Hyundai Corretora de Seguros	4,306	4,069	237	4,025	4,037	(12)
PSA Corretora de Seguros e Serviços Ltda.	6,151	3,700	2,452	5,400	3,358	2,041
CSD Central de Serviços de Registro e Depósito aos Mercados Financeiro e de Capitais S.A	214,033	211,953	2,080	216,479	214,757	1,722
Biomás - Serviços Ambientais, Restauração e Carbono S.A.	30,711	30,284	426	-	-	-
Significant Influence of Banco Santander						
CIP S.A.	2,853,144	2,620,742	232,401	2,652,068	2,374,932	277,136
Significant Influence of Banco Santander						
Webmotors S.A.	436,130	387,952	48,178	393,592	316,559	77,033
Total	18,974,058	18,657,775	328,702	19,259,304	18,749,259	580,353

(1) The Bank exercises joint control over the entity with the other majority shareholders, through a shareholders' agreement where no decision of business can be taken by a single shareholder.

(2) In accordance with the shareholders' agreement, control is shared by Santander Corretora de Seguros and Carsales.com Investments PTY LTD. (Carsales).

(3) Pursuant to the shareholders' agreement, control is shared by Santander Corretora de Seguros and PSA Services LTD.

(4) In March 2022, the Interbank Payments Chamber – CIP was demutualized. The non-profit association went through a spin-off, part of which was incorporated into a new for-profit company CIP S.A.

(5) Participation arising from the credit recovery of Banco Comercial e de Investimentos Sudameris S.A., incorporated in 2009 by Banco ABN AMRO Real S.A., which in the same year was incorporated by Banco Santander (Brasil) S.A., one of the Company's partners. The partners are leading the procedures for winding up the company, which depends on the sale of a property. Once sold, liquidation of the company and each partner will receive their share of the social equity.

(6) Banco Santander Brasil S.A, through its subsidiary Santander Corretora de Seguros, sold part of its shareholding in Webmotors S.A, to Carsales, thus disposing of 40% of the company's share capital in the Consolidated, as detailed in note 2.

*Values expressed in thousands, except when indicated.

	Investments		Results	
	06/30/2023	12/31/2022	01/01 to 06/30/2023	01/01 to 06/30/2022
Jointly Controlled by Banco Santander	597,052	645,686	31,235	bloco
Banco RCI Brasil S.A.	497,781	552,572	24,366	22,458
Estruturadora Brasileira de Projetos S.A. - EBP	756	746	10	17
Gestora de Inteligência de Crédito	58,992	61,590	(2,950)	(10,013)
Santander Auto S.A.	39,523	30,778	9,809	5,311
CIP S.A.	-	-	-	-
Jointly Controlled by Santander Corretora de Seguros	286,718	288,006	(4,236)	11,439
Webmotors S.A.	-	-	-	-
Tecnologia Bancária S.A. - TECBAN	236,619	243,649	(4,978)	11,321
Hyundai Corretora de Seguros	1,372	1,254	118	(86)
PSA Corretora de Seguros e Serviços Ltda.	1,766	540	1,226	204
CSD Central de Serviços de Registro e Depósito aos Mercados Financeiro e de Capitais S.A.	41,890	42,563	(673)	-
Biomás - Serviços Ambientais, Restauração e Carbono S.A.	5,071	-	71	-
Significant Influence of Banco Santander	445,852	407,441	52,613	16,833
CIP S.A.	445,852	407,441	26,281	16,833
Significant Influence of Banco Santander	226,954	386,437	26,281	19,814
Webmotors S.A.	226,954	386,437	26,281	19,814
Total	1,556,576	1,727,570	105,893	65,859

The Bank does not have guarantees granted to companies with joint control and significant influence.

The Bank does not have contingent liabilities with significant possible risk of loss related to investments for companies with joint control and significant influence.

b) Changes

Below are the changes in the balance of this item in the period ended on June 30, 2023 and 2022:

	01/01 to 06/30/2023		01/01 to 06/30/2022	
	Joint Control	Significant Influence	Joint Control	Significant Influence
Balance at beginning of exercise	1,320,129	407,441	1,232,646	-
Change in scope of consolidation	(386,437)	386,437	(11,604)	-
Adjustment to market value	(32,055)	(895)	412	-
Add / Lower	353	(185,169)	(255)	-
Equity in earnings of subsidiaries	26,999	78,894	65,859	-
Dividends proposed / received	(50,218)	(13,956)	(12,054)	-
Jointly Controlled Capital Increase	5,000	54	50,430	356,745
Balance at end of exercise	883,770	672,806	1,325,434	356,745
Total Investments		1,556,576		1,682,179

c) Impairment losses

No impairment losses were recognized on investments in associates and joint ventures in June 30, 2023, and December 31, 2022.

d) Other information

Details of the principal jointly controlled entities:

- **Banco RCI Brasil S.A.:** A company incorporated in the form of a joint stock company with headquarters in Paraná, aims to the main practice of investment, leasing, credit, financing and investment operations, with a view to sustain the growth of the automotive brands Renault and Nissan in the Brazilian market, with operations focused on, mainly to financing and leasing to the final consumer. It is a financial institution that is part of the RCI Group Banque and Santander Conglomerate, their operations being conducted in the context of a set of institutions that operate in the financial market. According to the Shareholders' Agreement, the main decisions that impact this company is taken jointly between Banco Santander and other controlling shareholders.

*Values expressed in thousands, except when indicated.

6. Tangible assets

Tangible assets of the Bank relate to property, plant and equipment for the its own use. The Bank does not have tangible assets held as investment property nor leased out under operating leases. The Bank is also not a part of any financial lease contracts as of and during the period ended June 30, 2023 and 2022.

a) Breakdown

The detail, by class of asset, of the tangible assets in the consolidated balance sheets is as follows:

	Land and buildings	Data Processing Systems	Furniture and equipment of use and vehicles	Property Lease	Works in progress and others	Total
Balance as of December 31, 2022	1,720,703	1,596,896	2,908,708	1,976,596	(12,140)	8,190,763
Addition	88,618	436,118	312,962	23,652	-	861,350
Write-off	(93,513)	(59,464)	(110,137)	(181,737)	-	(444,851)
Depreciation of the period	(203,455)	(2,725)	(470,433)	(274,300)	-	(950,913)
Transfers	71,325	(122,104)	64,202	-	-	13,423
Balance as of June 30, 2023	1,583,678	1,848,721	2,705,302	1,544,211	(12,140)	7,669,772
Balance as of December 31, 2021	1,803,756	1,690,184	2,982,561	2,319,424	(12,140)	8,783,785
Addition	58,444	27	381,035	143,883	-	583,389
Write-off	(8,195)	(27,968)	(26,407)	(30,882)	-	(93,452)
Depreciation of the period	(45,983)	(160,326)	(430,370)	(288,142)	-	(924,821)
Transfers	(61,788)	190,610	(182,567)	-	-	(53,745)
Balance as of June 30, 2022	1,746,234	1,692,527	2,724,252	2,144,283	(12,140)	8,295,156

The depreciation expenses has been included in the heading "Depreciation and amortization" in the income statement.

*Values expressed in thousands, except when indicated.

b) Losses due to non-recovery

In the period ended June 30, 2023, there was no impact of an impairment expense.

c) Tangible asset purchase commitments

As of June 30, 2023, the Bank has no contractual commitments for the acquisition of tangible assets (12/31/2022 – BRL 50,047)

7. Intangible assets - Goodwill

The goodwill constitutes the surplus between the acquisition cost and the Bank's participation in the net fair value of the acquiree's assets, liabilities and contingent liabilities. When the excess is negative (discount), it is recognized immediately in income. In accordance with IFRS 3 Business Combinations, goodwill is accounted for at cost and is not amortized, but tested annually for impairment purposes or whenever there are indications of impairment of the cash-generating unit to which he was allocated. Goodwill is accounted for at cost less accumulated impairment losses. Impairment losses recognized on goodwill are not reversed. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

The goodwill recorded is subject to the impairment test (note 1.c.2.1.v) and was allocated according to the operating segment (note 15).

Based on the assumptions described above, no impairment of goodwill was identified on June 30, 2023. Throughout the first quarter of 2023, no indication of impairment of goodwill was identified.

	06/30/2023	12/31/2022
Breakdown		
Banco ABN Amro Real S.A. (Banco Real)	27,217,565	27,217,565
Toro Corretora de Títulos e Valores Mobiliários Ltda.	160,770	160,771
Liderança Serviços Especializados em Cobranças Ltda.	184,447	236,626
Olé Consignado (current corporate name of Banco Bonsucesso Consignado)	62,800	62,800
Solution 4Fleet Consultoria Empresarial S.A.	32,590	32,590
Return Capital Serviços de Recuperação de Créditos S.A. (current corporate name of Ipanema Empreendimentos e Participações S.A.)	38,280	24,346
Santander Brasil Tecnologia S.A.	16,381	16,381
Gira - Gestão Integrada de Recebíveis do Agronegócio S.A.	5,271	5,271
Banco PSA Finance Brasil S.A.	1,557	1,557
Apê11 Tecnologia e Negócios Imobiliários S.A.	9,777	9,777
Monetus Investimentos S.A.	39,919	39,919
Mobills Labs Soluções em Tecnologia Ltda.	39,589	39,589
CSD Central de Serviços de Registro e Depósito aos Mercados Financeiro e de Capitais S.A.	42,135	42,135
Total	27,851,081	27,889,327

Commercial Bank
12/31/2022

Key assumptions:

Basis for determining the recoverable amount

Period of the projections of cash flows (1)	5 years
Perpetual growth rate	5.1%
Discount rate (2)	12.9%

(1) The projections of cash flow are prepared using Management's growth plans and internal budget, based on historical data, market expectations and conditions such as industry growth, interest rate and inflation.

(2) The discount rate is calculated based on the capital asset pricing model (CAPM). The discount rate before tax on December 31, 2022 was 19.09%.

A quantitative goodwill impairment test is performed annually. At the end of each financial year, an analysis is carried out on the existence of signs of impairment. For the years 2022, 2021 and 2020 there was no evidence of impairment. In the goodwill impairment test, carried out considering the December 2022 scenario, and whose discount rates and perpetuity growth are the most sensitive assumptions for calculating the present value (value in use) of discounted future cash flows, it was found that these continue to indicate the absence of impairment.

*Values expressed in thousands, except when indicated.

8. Intangible assets - Other intangible assets

The movement of other intangible assets in the period ended June 30, 2023 and 2022, was as follows:

	Movement of:					
	12/31/2022 to 06/30/2023			12/31/2021 to 06/30/2022		
	IT developments	Other assets	Total	IT developments	Other assets	Total
Opening Balance	3,457,640	255,767	3,713,407	2,723,667	147,652	2,871,319
Addition	860,596	79,144	939,740	545,725	55,081	600,806
Write-off	(202,989)	(1,277)	(204,266)	(128,279)	(678)	(128,957)
Transfers	29,531	(15,323)	14,208	278,828	(27,288)	251,540
Amortization	(392,409)	(31,114)	(423,523)	(317,450)	(14,675)	(332,125)
Impairment	(1,414)	(3,723)	(5,137)	(10,792)	(2,269)	(13,061)
Final balance	3,750,955	283,474	4,034,429	3,091,699	157,823	3,249,522
Estimated Useful Life	5 years	Until 5 years		5 years	Until 5 years	

Amortization expenses were included in the item "Depreciation and amortization" in the income statement.

9. Financial liabilities

a) Classification by nature and category

The classification, by nature and category for the purposes of valuation, of the Bank's financial liabilities other than those included in "Derivatives used as hedges", on June 30, 2023 and December 31, 2022:

	06/30/2023		
	Financial Liabilities Measured at Fair Value in Income	Financial Liabilities Measured at Amortized Cost	Total
Deposits from Brazilian Central Bank and deposits from credit institutions	-	123,112,350	123,112,350
Customer deposits	-	511,040,435	511,040,435
Marketable debt securities	6,966,253	127,042,251	134,008,504
Trading derivatives	27,662,977	-	27,662,977
Short positions	27,513,726	-	27,513,726
Debt Instruments Eligible to Compose Capital	-	19,008,268	19,008,268
Other financial liabilities	-	71,662,652	71,662,652
Total	62,142,956	851,865,956	914,008,912

	12/31/2022		
	Financial Liabilities Measured at Fair Value in Income	Financial Liabilities Measured at Amortized Cost	Total
Deposits from Brazilian Central Bank and deposits from credit institutions	-	116,079,014	116,079,014
Customer deposits	-	489,953,489	489,953,489
Marketable debt securities	8,921,518	107,120,875	116,042,393
Trading derivatives	18,699,325	-	18,699,325
Short positions	22,047,423	-	22,047,423
Debt Instruments Eligible to Compose Capital	-	19,537,618	19,537,618
Other financial liabilities	-	62,593,104	62,593,104
Total	49,668,266	795,284,100	844,952,366

*Values expressed in thousands, except when indicated.

b) Breakdown and details

b.1) Deposits from the Brazilian Central Bank and Deposits from credit institutions

	06/30/2023	12/31/2022
Demand deposits (1)	4,332,221	3,520,842
Time deposits (2)	99,067,563	87,824,144
Repurchase agreements	19,712,566	24,734,028
Of which:		
Backed operations with Private Securities (3)	29,990	70,188
Backed operations with Government Securities	19,682,576	24,663,840
Total	123,112,350	116,079,014

(1) Non-interest bearing accounts.

(2) Includes operations with credit institutions resulting from export and import financing lines, transfers from the country (BNDES and Finame) and abroad, and other credit lines abroad.

(3) Refers primarily to repurchase agreements backed by own-issued debentures.

b.2) Client deposits

	06/30/2023	12/31/2022
Demand deposits	93,940,687	86,777,993
Current accounts (1)	36,304,599	26,607,407
Savings accounts	57,636,088	60,170,586
Time deposits	350,970,652	339,943,008
Repurchase agreements	66,129,096	63,232,488
Of which:		
Backed operations with Private Securities (2)	18,496,040	17,309,369
Backed operations with Government Securities	47,633,056	45,923,119
Total	511,040,435	489,953,489

(1) Non-interest bearing accounts.

(2) Refers primarily to repurchase agreements backed by own-issued debentures.

b.3) Bonds and securities

	06/30/2023	12/31/2022
Real Estate Credit Notes - LCI (1)	39,009,240	34,997,824
Eurobonds	16,301,353	14,508,126
Treasury Bills (2)	31,359,168	33,713,048
Agribusiness Credit Notes - LCA	32,589,112	24,045,319
Guaranteed Real Estate Bill - LIG (3)	14,749,631	8,778,076
Total	134,008,504	116,042,393

(1) Real estate credit notes are fixed income securities backed by real estate credits and secured by mortgage or fiduciary alienation of real estate. On June 30, 2023, they mature between 2023 and 2030 (12/31/2022 – with maturity between 2023 and 2028).

(2) The main characteristics of financial bills are a minimum term of two years, a minimum face value of R\$50 and permission for early redemption of only 5% of the amount issued. On June 30, 2023, they mature between 2023 and 2033 (12/31/2022 - with maturity between 2023 and 2032).

(3) Guaranteed Real Estate Bills are fixed income securities backed by Real Estate credits guaranteed by the issuer and by a pool of real estate credits separate from the issuer's other assets. On June 30, 2023, they mature between 2024 and 2035 (12/31/2022 - with maturity between 2023 and 2035).

The changes in the balance of "Bonds and securities" in the period ended June 30, 2023 and 2022 were as follows:

	01/01 to 06/30/2023	01/01 to 06/30/2022
Balance at beginning of the semester	107,120,875	79,036,792
Issues	47,232,812	38,506,347
Payments	(25,358,540)	(22,123,313)
Interest	3,105,479	107,740
Exchange differences and other	1,907,878	151,948
Balance at end of the semester	134,008,504	95,679,514

*Values expressed in thousands, except when indicated.

The composition of Eurobonds and other securities is as follows:

Issuance	Maturity Until	Interest Rate (a.a.)	2023	2022
2018	2025	4.4%	-	-
2019	2027	Until 6.4% + CDI	-	32,204
2020	2027	Until 6.4% + CDI	31,337	90,069
2021	2031	Until 9% + CDI	3,506,883	6,306,335
2022	2035	Until 9% + CDI	3,498,214	8,079,519
2023	2035	Até 9% + CDI	9,264,919	-
Total			16,301,353	14,508,127

b.4) Debt Instruments Eligible to Capital

The details of the balance of the item "Debt Instruments Eligible to Capital" referring to the issuance of equity instruments to compose the level I and level II of the reference equity due to the Reference Equity Optimization Plan, are as follows:

	Issuance	Maturity	Issuance Value	Interest Rate (p.a.)	06/30/2023	12/31/2022
Tier I (1)	nov-18	No Maturity (Perpetual)	US\$1.250	7.3%	6,087,085	6,591,740
Tier II (1)	nov-18	nov-28	US\$1.250	6.1%	6,077,296	6,580,937
Financial Bills - Tier II (2)	Nov-21	Nov-31	R\$5,300	CDI+2%	6,595,222	6,133,677
Financial Bills - Tier II (2)	dec-21	dec-31	R\$200	CDI+2%	248,665	231,264
Total					19,008,268	19,537,618

(1) Issues were carried out through the Cayman Branch and there is no withholding income tax, and interest is paid semi-annually, starting May 8, 2019.

(2) Financial Bills issued in November 2021 have a redemption and repurchase option.

Notes have the following common characteristics:

(a) Unit value of at least US\$150,000 and in integral multiples of US\$1,000 in excess of such minimum value;

(b) The Notes may be repurchased or redeemed by Banco Santander after the 5th (fifth) anniversary of the issue date of the Notes, at the sole discretion of the Bank or due to changes in the tax legislation applicable to the Notes; or at any time, in reason for the occurrence of certain regulatory events.

Changes in the balance of "Debt Instruments Eligible for Capital" in the periods ended June 30, 2023 and 2022 were the following:

	01/01 to 06/30/2023	01/01 to 06/30/2022
Balance at beginning of the period	19,537,618	19,641,408
Interest payment Tier I (1)	108,521	115,577
Interest payment Tier II (1)	92,049	98,035
Foreign exchange variation	(308,064)	(285,531)
Payments of interest - Tier I	(237,147)	(237,347)
Payments of interest - Tier II	(184,709)	200,517
Balance at end of the period	19,008,268	19,131,625

(1) Interest remuneration related to the Level I and II Eligible Debt Instrument was recorded against the income for the period as "Interest and Similar Expenses".

10. Provision for legal and administrative proceedings, commitments and other provisions

a) Breakdown

The breakdown of the balance of "Provisions" is as follows:

	06/30/2023	12/31/2022
Pension fund provisions and similar requirements	2,318,992	1,775,202
Provisions for judicial and administrative proceedings, commitments and other provisions	8,330,402	7,339,941
Judicial and administrative proceedings under the responsibility of former controlling stockholders	496	496
Judicial and administrative proceedings	7,769,801	6,754,262
Of which:		
Civil	3,013,383	2,875,936

*Values expressed in thousands, except when indicated.

Labor	2,495,579	1,700,752
Tax and Social Security	2,260,839	2,177,574
Provision for contingent liabilities (Note 3 b.2)	432,684	430,484
Other provisions	127,421	154,700
Total	10,649,394	9,115,143

b) Tax, Social Security, Labor and Civil Provisions

Banco Santander and its subsidiaries are parties to legal and administrative proceedings of a tax and social security, labor and civil nature, arising in the normal course of their activities.

Provisions were set up based on the nature, complexity and history of the lawsuits and on the loss assessment of the companies' shares based on the opinions of internal and external legal advisors. Banco Santander's policy is to fully provision the value at risk of shares whose assessment is of probable loss. Legal obligations of a tax and social security nature are fully recognized in the financial statements.

Management understands that the provisions constituted are sufficient to meet legal obligations and possible losses arising from legal and administrative proceedings, as follows:

b.1) Lawsuits and Administrative Proceedings – related to Tax and Social Security

Main judicial and administrative proceedings with probable risk of loss

Banco Santander and its subsidiaries are parties to judicial and administrative proceedings related to tax and social security disputes, which are classified, based on the opinion of legal advisors, as a probable risk of loss.

Provisional Contribution on Financial Transactions (CPMF) in Customer Operations: R\$1.058.014 (12/31/2022 - R\$1,016,253) in the Bank and Consolidated: in may 2003, the Federal Revenue Service of Brazil issued a notice of infraction on Santander Distribuidora de Títulos e Valores Mobiliários Ltda. (Santander DTVM) and another notice at Banco Santander (Brasil) S.A. The object of the case was the collection of CPMF on operations carried out by Santander DTVM in the management of its customers' funds and clearing services provided by the Bank to Santander DTVM, which occurred during the years 2000, 2001 and 2002. The administrative process ended unfavorable for both Companies. On July 3, 2015, Banco and Santander Brasil Tecnologia S.A. (current name of Produban Serviços de Informática S.A. and Santander DTVM) filed a lawsuit seeking to annul both tax debts. Said action had an unfounded sentence and judgment, which gave rise to the filing of a Special Appeal with the STJ and an Extraordinary Appeal with the STF, which is awaiting judgment. Based on the assessment of the legal advisors, a provision was set up to cover the loss considered probable in the lawsuit.

National Social Security Institute (INSS) - R\$135,757 in the Consolidated (12/31/2022 - R\$133,593 in the Consolidated): Banco Santander and the subsidiaries are discussing administratively and judicially the collection of the social security contribution and the education allowance on various sums that, according to the assessment of the legal advisors, are not have salary nature

Tax on Services (ISS) - Financial Institutions R\$377,198 in the Consolidated (12/31/2022 - R\$319,020 in the Consolidated): Banco Santander and its subsidiaries are administratively and judicially discussing the requirement, by several municipalities, of the payment of ISS on various revenues arising from operations that are usually not classified as provision of services. In addition, other lawsuits involving ISS, classified as a possible risk of loss, are described in note 10.b.4.

b.2) Judicial and Administrative Proceedings of a Labor Nature

These are lawsuits filed by Trade Unions, Associations, the Public Ministry of Labor and former employees claiming labor rights they understand due, in particular the payment of "overtime" and other labor rights, including processes related to retirement benefits.

For lawsuits considered common and similar in nature, provisions are recorded based on the historical average of lawsuits closed. Shares that do not fit the previous criteria are provisioned according to the individual assessment carried out, provisions being constituted based on the probable risk of loss, in law and case law in accordance with the assessment of loss carried out by legal advisors.

Former Employees of Banespa. Action distributed in 1998 by the Association of Retirees of Banespa (AFABESP) requesting the payment of half-yearly bonus provided for in Banco Banespa's regulations for approximately 8,400 former employees (retirees), according to which the payment will be made in the event that the Bank makes a profit and the distribution of this profit is approved by the board of directors. The bonus was not paid in 1994 and 1995 because the Banespa bank did not make a profit during these years. Partial payments were made between 1996 and 2000 as approved by the board of directors. The mentioned clause was excluded from the regulation in 2001. The Regional Labor Court and the Superior Labor Court condemned Santander Brazil, as the successor of Banespa, to pay the half-yearly bonus for the periods relating to the second half of 1996 and semesters of 1997. On March 20, 2019, a decision by the Federal Supreme Court (Supremo Tribunal Federal, or "STF") rejected the extraordinary appeal filed by Banco

*Values expressed in thousands, except when indicated.

Santander, which did not resolve the merits of the case. We filed a rescission action to annul the sentence due to AFABESP's lack of legitimacy (according to precedent No. 573,232 of the STF) or to recognize the nullity of the TRT judgment that did not summon Banco Santander about the modifying effects of the decision, as well as to suspend execution in the main process. The rescission action was dismissed, and this decision was opposed by Embargoes de Clarification, due to the absence of an explicit manifestation about the arguments brought by the Bank. about the Embargoes de Clarification the omission points were not answered as required by law, which is why it was filed Extraordinary Appeal that was denied by the TST. The Bank filed an appeal against this decision, which is pending admissibility, bearing in mind that the decisions handed down by the Superior Labor Court are contrary to an already peaceful position in the STF (precedent No. 573.232), according to which the Association needs a specific power of attorney to sue in court, and also the decision affronts constitutional precepts regarding access to justice (item XXXV of article 5 of CF) by determining payment excessive costs. Regarding the main action, in August 2021, a decision was handed down that determined that the execution be carried out individually in the corresponding forum of each defendant and AFABESP filed an appeal that was dismissed, reason by which the decision became final.

Our legal advisors classified the risk of loss as probable. The current decisions of the court, and neither of the main proceedings, do not define a specific amount to be paid by those replaced, and the amounts must be determined on a regular basis sentence liquidation, which is why approximately 6,7 individual compliance actions have already been distributed collectively.

On June 30, 2023, the provision is constituted based on the estimated probable loss of the individual lawsuits against the Bank

b.3) Judicial and Administrative Proceedings of a Civil Nature

These provisions are in general arising from: (1) lawsuits requesting revision of contractual terms and conditions or requests for monetary adjustments, including alleged effects of the implementation of various government economic plans, (2) lawsuits arising from financing agreements, (3) enforcement actions; and (4) claims for damages. For civil claims considered common and similar in nature, provisions are recorded based on the historical average of closed cases. Claims that do not meet the above criteria are provisioned according to an individual assessment carried out, and provisions are set up based on the probable risk of loss, in law and case law, in accordance with the assessment of loss made by the legal advisors.

The main proceedings classified as a probable risk of loss are described below:

Actions of an Indemnity Nature - Refers to compensation for material and/or moral damages, related to the consumer relationship, dealing mainly with issues relating to credit cards, direct consumer credit, current accounts, collection and loans and other matters. In lawsuits related to causes considered similar and usual for the business, in the normal course of the Bank's activities, the provision is set up based on the historical average of closed lawsuits. Claims that do not meet the above criteria are provisioned according to an individual assessment carried out, and provisions are set up based on the probable risk of loss, in law and case law, in accordance with the assessment of loss made by the legal advisors.

Economic Plans - They refer to judicial discussions, which claim alleged inflationary purges arising from Economic Plans (Bresser, Verão, Collor I and II), as they understand that such plans violate acquired rights related to the application of inflationary indices supposedly due to Savings Accounts, Judicial Deposits and Time Deposits (CDBs). The lawsuits are accrued based on the individual assessment of loss made by the legal advisors.

Banco Santander is also a party to public civil actions on the same matter, filed by consumer protection entities, the Public Prosecutor's Office or the Public Defender's Office. The constitution of a provision is made only for cases with probable risk, based on the requests for individual executions. The matter is still under analysis by the STF. There is jurisprudence in the STF favorable to the Banks in relation to an economic phenomenon similar to that of savings, as in the case of correction of time deposits (CDBs) and corrections applied to contracts (tablita).

However, the jurisprudence of the STF has not yet been consolidated on the constitutionality of the norms that modified the monetary standard in Brazil. On April 14, 2010, the Supreme Court of Justice (STJ) decided that the deadline for filing public civil actions that discuss the purges is 5 years from the date of the plans, but this decision has not yet become final. Thus, with this decision, a large part of the actions, as they were proposed after the 5-year period, will probably be dismissed, reducing the amounts involved. The STJ also decided that the deadline for individual savers to qualify in Public Civil Actions is also 5 years, counted from the final and unappealable decision of the respective sentence. Banco Santander believes in the success of the theses defended before these courts due to their content and foundation.

At the end of 2017, the Attorney General's Office (AGU), Bacen, the Consumer Protection Institute (Idec), the Brazilian Savings Front (Febrapo) and the Brazilian Federation of Banks (Febraban) signed an agreement that seeks to end the legal disputes over the Economic Plans.

Discussions focused on defining the amount that would be paid to each author, according to the balance in the booklet on the date of the plan. The total amount of payments will depend on the number of subscriptions, and also on the number of savers who have

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proven in court the existence of the account and the balance on the anniversary date of the index change. The term of agreement negotiated between the parties was ratified by the STF.

In a decision handed down by the STF, there was a national suspension of all processes that deal with the issue for the duration of the agreement, with the exception of cases in final compliance with the sentence.

On March 11, 2020, the agreement was extended by means of an amendment, with the inclusion of actions that only involve the discussion of Plano Collor I. Such extension has a period of 5 years and the ratification of the terms of the amendment took place on the 3rd of June 2020.

b.4) Contingent Tax and Social Security, Labor and Civil Liabilities Classified as Risk of Possible Loss

These are judicial and administrative proceedings of a tax and social security, labor and civil nature classified, based on the opinion of the legal advisors, as a possible risk of loss, therefore not being provisioned.

Tax lawsuits classified as a possible loss totaled R\$33,002 million in Consolidated (12/31/2022 - R\$31,522 million), the main processes being the following:

PIS and COFINS - Lawsuits filed by Banco Santander (Brasil) S.A. and other entities of the Group to avoid the application of the Law No. 9,718/98, which changes the basis for calculating the Social Integration Program (PIS) and the Social Security Financing Contribution (COFINS), extending it to all revenues of the entities, and not just revenues arising from the provision of services. In regarding the process of Banco Santander (Brasil) S.A., in 2015 the Federal Supreme Court (STF) admitted the extraordinary appeal filed by the Federal Government in relation to the PIS, and dismissed the extraordinary appeal filed by the Public Ministry Federal in relation to the contribution to COFINS, confirming the decision of the Federal Regional Court in favor of Banco Santander (Brasil) SA of August 2007. The STF decided, through General Repercussion, Theme 372 and partially accepted the Union's appeal Federal establishing the thesis that PIS/COFINS is levied on operating revenues arising from the typical activities of institutions financial. With the publication of the judgment, the Bank will present a new appeal in relation to the PIS. Based on the assessment of the assessors legal, the prognosis of the risk was classified as a possible loss, not being probable an appeal. On June 30, 2023, the amount involved about is R\$1,947 million. For the other lawsuits, the respective obligations of PIS and COFINS (see notes 11.c and 27).

INSS on Profit Sharing (PLR) - the Bank and its subsidiaries have legal and administrative proceedings resulting from questioning by the tax authorities, regarding the collection of social security contributions on payments made as profit sharing. As of June 30, 2023, amounts related to these proceedings totaled approximately R\$8.650 millions.

Tax on Services (ISS) - Financial Institutions - Banco Santander and its subsidiaries are challenging administratively and judicially the requirement, by several municipalities, to pay ISS on various revenues arising from operations that are not usually classified as services rendered. As of June 30, 2023, the amount was approximately R\$5.005 million.

Unapproved Compensation - the Bank and its affiliates are discussing administratively and judicially with the Federal Revenue Service the non-approval of tax offsets with credits resulting from overpayment or undue payment. As of June 30, 2023, the amount was approximately R\$4.526 million.

Amortization of Banco Real Goodwill - the Federal Revenue of Brazil issued a notice of infraction against the Bank to demand the payments of IRPJ and CSLL, including arrears charges, referring to the base period of 2009. The Tax Authorities considered that the goodwill related to the acquisition of Banco Real, amortized in the accounting before its incorporation, could not be deducted by Banco Santander for tax purposes. The notice of infraction was duly contested and we are currently awaiting judgment before the CARF. On June 30, 2023, the amount was approximately R\$1.593 million.

Losses on Credit Operations - the Bank and its subsidiaries contested the tax assessments issued by the Federal Revenue Service of Brazil alleging the undue deduction of losses on credit operations from the IRPJ and CSLL calculation bases for allegedly not meeting the requirements of applicable laws. As of June 30, 2023, the amount related to this dispute is approximately R\$1.728 million.

Use of CSLL Tax Losses and Negative Base - Infraction notices drawn up by the Federal Revenue Service of Brazil in 2009 for alleged undue compensation of tax losses and CSLL negative base, as a result of tax assessments drawn up in previous periods. Judgment at the administrative level is awaited. On June 30, 2023, the amount was R\$1.192 million.

Amortization of Banco Sudameris Goodwill - the tax authorities issued tax assessment notices to demand payment of IRPJ and CSLL, including arrears charges, referring to the tax deduction of the amortization of the goodwill paid in the acquisition of Banco Sudameris, referring to the base period from 2007 to 2012. Banco Santander presented the respective administrative defenses, which were judged unfavorably. Currently, the lawsuits are awaiting judgment at the CARF. On June 30, 2023, the amount was approximately R\$722 million.

IRPJ and CSLL - Capital Gain - the Federal Revenue Service of Brazil issued a notice of infraction against Santander Seguros (legal successor of ABN AMRO Brasil Dois Participações S.A. (AAB Dois Par) charging income tax and social contribution related to the 2005

*Values expressed in thousands, except when indicated.

fiscal year. Brasil alleges that the capital gain on the sale of the shares of Real Seguros S.A. and Real Vida e Previdência S.A. by AAB Dois Par should be taxed at a rate of 34.0% instead of 15.0%. based on the understanding that the tax treatment adopted in the transaction was in compliance with current tax legislation and the capital gain was duly taxed. The administrative proceeding ended unfavorably to the Company. In July 2020, the Company filed a lawsuit seeking to cancel the debt. The lawsuit awaits judgment. Banco Santander is liable for any adverse outcome in this lawsuit as the former controlling shareholder of Zurich Santander Brasil Seguros e Previdência S.A. As of June 30, 2023, the amount was approximately R\$536 million.

IRRF - Foreign Remittance – The Company filed a court order seeking to avoid taxation of the Withholding Income Tax - IRRF on income derived from the provision of services performed by a company abroad, as they do not involve transfer of technology, due to the existence of International Treaties signed between Brazil- Chile; Brazil-Mexico and Brazil-Spain, avoiding double taxation – DTTs. In July 2013, in junective relief was granted to suspend the enforceability of the amounts, and therefore, the judgment prevailed. Currently, the lawsuit awaits judgment at the Federal Regional Court of the 3rd Region. As of June 30, 2023, the amount was approximately R\$862 million.

Labor claims classified as a possible loss totaled R\$328 million in the Consolidated, including the process below:

Readjustment of Banesprev's Retirement Supplements by the IGPD – action filed in 2002 in the Federal Court by the Association of Retired Employees of the Bank of the State of São Paulo requesting the readjustment of the supplementary retirement by the IGPD for retirees from Banespa who had been admitted until May 22, 1975. The sentence upheld the correction, but only in periods when no other form of readjustment was applied. The Bank and Banesprev appealed against this decision and the Appeals were dismissed, which is why Special and Extraordinary Appeals were filed, both pending admissibility. In Provisional Execution, calculations were presented by the Bank and Banesprev due to the exclusion of participants who, among other reasons, appear as plaintiffs in other lawsuits or have already had some type of readjustment. The amount involved is not provisioned, considering that there is no list of represented parties duly approved in the records, as well as the execution remains suspended.

Liabilities related to civil lawsuits with a possible risk of loss totaled R\$2.677 million in Consolidated, with the following main lawsuits:

Indemnification Action Coming from Banco Bandepe - related to the loan agreement. After the appeal filed by the Bank with the Superior Court of Justice was upheld, the party began a new liquidation of the judgment. Agreement reached in the amount of R\$ 44 million. Process terminated.

Indemnification Action Regarding Custody Services - provided by Banco Santander in the expert phase and still without a sentence issued

b.5) Other Lawsuits for the Liability of Former Controllers

They refer to civil lawsuits, in the amount of R\$496 (12/31/2022 – R\$496) in the Bank and in the Consolidated, without tax and labor lawsuits, recorded in other liabilities (Note 18) of responsibility of the former controllers of banks and acquired companies. Based on the signed agreements, these actions are fully reimbursed by the former controlling shareholders, whose respective rights were accounted for in other assets (Note 11).

11. Stockholders' equity

a) Capital

According to the Bylaws, the share capital of Banco Santander may be increased up to the authorized capital limit, regardless of statutory amendment, upon resolution of the Board of Directors and through the issuance of up to 9,090,909,090 (nine billion, ninety million, nine hundred and nine thousand and ninety) shares, observing the legal limits established regarding the number of preferred shares. Any capital increase that exceeds this limit will require shareholder approval.

The capital stock, fully subscribed and paid, is divided into registered book-entry shares with no par value.

	06/30/2023			Thousands of Shares 12/31/2022		
	Common	Preferred	Total	Common	Preferred	Total
Brazilian Residents	117,388	143,186	260,574	120,850	146,392	267,242
Foreign Residents	3,701,307	3,536,650	7,237,957	3,697,845	3,533,444	7,231,289
Total	3,818,695	3,679,836	7,498,531	3,818,695	3,679,836	7,498,531
(-) Treasury Shares	(27,064)	(27,064)	(54,128)	(31,162)	(31,162)	(62,324)
Total Outstanding	3,791,631	3,652,772	7,444,403	3,787,533	3,648,674	7,436,207

*Values expressed in thousands, except when indicated.

b) Dividends and Interest on Capital

According to the Bank's bylaws, stockholders are entitled to a minimum dividend equivalent to 25% of net income for the year, adjusted according to legislation. Preferred shares are nonvoting and nonconvertible, but have the same rights and advantages granted to common shares, in addition to priority in the payment of dividends at a rate that is 10% higher than those paid on common shares, and in the capital reimbursement, without premium, in the event of liquidation of the Bank.

Dividends were calculated and paid in accordance with Brazilian Corporate Law.

Prior to the Annual Shareholders' Meeting, the Board of Directors may resolve on the declaration and payment of dividends on earned profits, based on: (i) balance sheets or profit reserves existing in the last balance sheet or (ii) balance sheets issued in periods of less than six months, provided that the total dividends paid in each semester of the fiscal year does not exceed the amount of capital reserves. These dividends are fully charged to the mandatory dividend.

The following distribution of dividends and interest on capital made on June 30, 2023, and December 31, 2022.

	In Thousands of Brazilian Real	Brazilian Real per Thousand Shares/Units					
		Gross			Net		
		Common	Preferred	Unit	Common	Preferred	Unit
Juros sobre o Capital Próprio (1)(3)	1,700,000	217.92	239.71	457.63	185.23	203.75	388.98
Juros sobre o Capital Próprio (2)(3)	1,500,000	192.03	211.23	403.26	163.22	179.55	342.77
Total	3,200,000						

(1) Deliberated by the Board of Directors on January 19, 2023, paid on March 6, 2023, without any remuneration as currency update.

(2) Deliberated by the Board of Directors on April 13, 2023, paid on May 15, 2023, without any remuneration as restatement.

(3) They were fully imputed to the minimum mandatory dividends distributed by the Bank for the year 2023.

	In Thousands of Brazilian Real	Brazilian Real per Thousand Shares/Units					
		Gross			Net		
		Common	Preferred	Unit	Common	Preferred	Unit
Dividends (1)(5)	1,300,000	165.95	182.55	348.50	165.95	182.55	348.50
Interest on Capital (1)(6)	1,700,000	217.02	238.72	455.73	184.46	202.91	387.37
Dividends (2)(6)	700,000	89.45	98.40	187.85	89.45	98.40	187.85
Interest on Capital (2)(6)	1,000,000	127.79	140.57	268.36	108.62	119.48	228.10
Interest on Capital (3)(6)	1,700,000	217.75	239.52	457.27	185.09	203.59	388.68
Dividends (4)(6)	820,000	105.02	115.53	220.55	105.02	115.53	220.55
Interest on Capital (4)(6)	880,000	112.71	123.98	236.69	95.80	105.38	201.19
Total	8,100,000						

(1) Deliberated by the Board of Directors on February 1, 2022, paid on March 4, 2022, without any monetary restatement.

(2) Deliberated by the Board of Directors on April 14, 2022, paid on May 16, 2022, without any monetary restatement.

(3) Deliberated by the Board of Directors on August 5, 2022, paid on September 6, 2022, without any monetary restatement.

(4) Deliberated by the Board of Directors on October 13, 2022, paid on November 22, 2022, without any remuneration by way of updating.

(5) They were fully imputed to the minimum mandatory dividends distributed by the Bank for the year 2021.

(6) Will be fully imputed to the mandatory minimum dividends to be distributed by the Bank for the year 2022.

c) Reserves

The reserves are allocated as follows after the deductions and statutory provisions, from the net income:

Legal reserve

In accordance with Brazilian Corporate Law, 5% is transferred to the legal reserve, until it reaches 20% of the share capital. This reserve is designed to ensure the integrity of the capital and can only be used to offset losses or increase capital.

Capital reserve

The Bank's capital reserve consists of: goodwill reserve for subscription of shares and other capital reserves, and can only be used to absorb losses that exceed retained earnings and profit reserves, redemption, reimbursement or acquisition of shares for the Bank's own issue; capital increase, or payment of dividends to preferred shares under certain circumstances.

*Values expressed in thousands, except when indicated.

Reserve for equalization dividend

After the allocation of dividends, the remaining balance if any, may, upon proposal of the Executive Board and approved by the Board of Directors, be allocated to reserve for equalization of dividends, which will be limited to 50% of the capital. This reserve aims to ensure funds for the payment of dividends, including as interest on own capital, or any interim payment to maintain the flow of shareholders remuneration.

d) Actions in Treasury

In a meeting held on August 2, 2022, the Board of Directors approved, in continuation of the repurchase program that expired on the same date, a new program for the repurchase of Units and ADRs issued by Banco Santander, directly or through its branch in Cayman, to be held in treasury or later sold.

The Buyback Program covers the acquisition of up to 36,986,424 Units, representing 36,986,424 common shares and 36,986,424 preferred shares, which corresponded, on June 30, 2023, to approximately 1% of the Bank's share capital. As of June 30, 2023, Banco Santander had 374,586,900 common shares and 348,782,487 preferred shares outstanding.

The purpose of the repurchase is (1) to maximize the generation of value for shareholders through an efficient management of the capital structure; and (2) enable the payment of administrators, management-level employees and other employees of the Bank and companies under its control, under the terms of the Long-Term Incentive Plans. The term of the Buyback Program is up to 18 months from August 3, 2022, ending on February 5, 2024.

	Bank/Consolidated Shares in Thousands	
	06/30/2023	12/31/2022
	Quantity	Quantity
	Units	Units
Treasury Shares at Beginning of the Period	31,161	15,755
Shares Acquisitions	871	20,297
Payment - Share-Based Compensation	(4,968)	(4,891)
Treasury Shares at Beginning of the Period	27,064	31,161
Subtotal - Treasury Shares in Thousands of Reais	R\$ 1,101,264	R\$ 1,217,545
Issuance Cost in Thousands of Reais	R\$ 1,771	R\$ 1,771
Balance of Treasury Shares in Thousands of Reais	R\$ 1,103,035	R\$ 1,219,316
Cost/Share Price	Units	Units
Minimum Cost (*)	R\$ 7.55	R\$ 7.55
Weighted Average Cost (*)	R\$ 27.62	R\$ 27.73
Maximum Cost (*)	R\$ 49.55	R\$ 49.55
Share Price	R\$ 30.63	R\$ 28.19

(*) Considering since the beginning of operations on the stock exchange.

12. Income Tax

The total income tax for the three-months period can be reconciled to the accounting profit as follows:

	01/01 to 06/30/2023	01/01 to 06/30/2022
Operating Income before Tax	5,804,664	11,361,543
Tax (25% of Income Tax and 20% of Social Contribution)	(2,612,099)	(5,112,694)
PIS and COFINS (net of income tax and social contribution) (1)	(1,103,036)	(1,030,458)
Non - Taxable/Indeductible :		
Equity instruments	47,652	29,636
Goodwill	-	(60,661)
Exchange variation - foreign operations (2)	-	-
Net Indeductible Expenses of Non-Taxable Income (3)	591,927	893,550
Adjustments:		
IR/CS Constitution on temporary differences	(49,883)	33,821
Interest on equity	1,295,670	1,127,349
CSLL Tax rate differential effect (4)	380,569	283,407
Others Adjustments	296,900	481,469

*Values expressed in thousands, except when indicated.

Income tax and Social contribution	(1,152,300)	(3,354,581)
Of which:		
Current taxes	(4,021,072)	(3,347,244)
Deferred taxes	2,868,772	(7,337)

(1) PIS and COFINS are considered as components of the profit base (net of certain revenues and expenses); therefore, and in accordance with IAS 12, are accounted for as income taxes.

(2) Permanent differences related to the investment in subsidiaries abroad are considered as non-taxable / deductible (see details below).

(3) Includes, mainly, the tax effect on revenues with judicial deposit updates and other income and expenses that do not fall as temporary differences.

(4) Effect of the rate differential for other non-financial and financial corporations, which social contribution rates are 9% and 15%.

13. Detailing of income accounts

a) Personnel expenses

	01/04 to 06/30/2023	01/04 to 06/30/2022	01/01 to 06/30/2023	01/01 to 06/30/2022
Salary	1,533,788	1,450,805	3,153,823	3,039,181
Social security costs	399,001	348,983	784,431	685,957
Benefits	415,045	388,452	806,882	771,715
Defined benefit pension plans	333	1,693	1,786	2,726
Contributions to defined contribution pension funds	41,727	29,290	116,072	79,154
Share-based payment costs	60,926	2,428	70,588	11,660
Training	10,654	14,319	31,068	28,258
Other personnel expenses	182,376	99,328	345,234	168,148
Total	2,643,850	2,335,298	5,309,884	4,786,799

b) Other Administrative Expenses

	01/04 to 06/30/2023	01/04 to 06/30/2022	01/01 to 06/30/2023	01/01 to 06/30/2022
Property, fixtures and supplies	227,335	232,657	438,325	477,179
Technology and systems	482,254	598,745	1,058,523	1,236,548
Advertising	148,196	147,128	311,454	263,007
Communications	81,669	134,702	153,945	229,840
Subsistence allowance and travel expenses	40,692	(22,060)	75,526	(689)
Taxes other than income tax	40,157	124,622	71,226	154,336
Surveillance and cash courier services	137,516	147,917	275,937	287,716
Insurance premiums	6,486	3,620	16,726	7,390
Specialized and technical services	669,580	583,986	1,219,535	1,125,131
Other administrative expenses	281,750	(45,285)	595,530	178,529
Total	2,115,635	1,906,032	4,216,727	3,958,987

*Values expressed in thousands, except when indicated.

14. Employee Benefit Plan

a) Share-based compensation

Banco Santander has long-term compensation programs linked to the performance of the market price of its shares. Members of Banco Santander's Executive Board are eligible for these plans, in addition to the participants who have been determined by the Board of Directors, whose choice will take into account the seniority of the group. The members of the Board of Directors only participate in said plans when they hold positions on the Executive Board.

Program	Liquidity Type	Vesting Period	Period of Exercise/Settlement	01/01 to 06/30/2023	01/01 to 06/30/2022
		01/2019 to 12/2021	2022 e 2023	R\$ - (3)	R\$ 40,403 (3)
		01/2020 to 12/2022	2023	R\$ 1,668,000 (5)	R\$ 4,002,000 (5)
		01/2020 to 12/2022	2023 e 2024	R\$ - (10)	R\$ 800,000 (10)
		01/2021 to 10/2024	2024	R\$ 18,270,000 (1)	R\$ 20,600,000 (1)
		01/2021 to 12/2023	2023	R\$ 700,000 (1)	R\$ 1,680,000 (1)
		01/2023 to 01/2027	2024, 2025 e 2026	1,125,000	R\$ - (1)
Local	Santander Brasil Bank Shares	07/2019 to 06/2022	2022	-	R\$ 111,066 SANB11
		09/2020 to 09/2022	2022	-	R\$ 309,427 SANB11
		01/2020 to 09/2023	2023	154,720	R\$ 204,139 SANB11
		01/2021 to 12/2022	2023	- SANB11 (4)	R\$ 139,163 SANB11
		01/2021 to 12/2023	2024	316,978	R\$ 343,863 SANB11
		01/2021 to 12/2024	2024	217,291	R\$ 24,441 SANB11
		01/2021 to 12/2025	2025	66,323	R\$ 28,257 SANB11
		01/2021 a 01/2025	2026	50,087	R\$ - SANB11
		2023		159,253 SAN (6)	159,253 SAN (6)
		2023, with a limit for exercising the options until 2030		832,569 Options shares SAN (6)	832,569 Options shares SAN (2)
		02/2024		124,184 SAN (7)	124,184 SAN (2)
		02/2024, with a limit for exercising the options until 02/2029		370,477 Options shares SAN (7)	370,477 Options shares SAN (2)
		2025		150,703 SAN (7)	150,703 SAN (2)
		2025, with a limit for exercising the options until 2030		578,713 Options shares SAN (7)	578,713 Options shares SAN (2)
		2026		199,680 SAN (7)	- SAN (2)
		2026, with a limit for exercising the options until 2033		537,637 Options shares SAN (7)	- Options shares SAN (2)

*Values expressed in thousands, except when indicated.

2023, with a limit for exercising the options until 2032

Stocks and options
9,095,000 on
PagoNxt shares (8)

-

12/2023

106,147 SAM Shares (9)

- SAM Shares (9)

Balance of Plans on June 30, 2023

R\$	20,095,000 (1)	R\$	27,122,403 (1)
R\$	9,095,000 (8)	R\$	- (8)
	805,398 SANB11	R\$	1,160,356 SANB11
	633,820 SAN (6)(7)	R\$	434,140 SAN (6)(7)
	2,319,396 Options shares SAN (2)	R\$	1,781,759 Options shares SAN (2)
	106,147 SAM (9)	R\$	- SAM (9)

(1) Target of the plan in Reais, to be converted into SANB11 shares according to the achievement of the performance indicators of the plan at the end of the vesting period, by the quotation of the last 15 trading sessions of the month immediately preceding the month of payment.

(2) Target of the plan in shares and SAN options, to be paid in cash at the end of the vesting period, according to the achievement of the plan's performance indicators.

(3) Plan finalized on 12/31/2021, with achievement of performance indicators in 72.25%. On 03/30/2022, 40,403 gross shares were delivered, corresponding to the 2022 portion. On 3/30/2023, the plan was settled with the delivery of the remaining 40,159 gross shares..

(4) Plan finalized, paid in Feb/2023.

(5) Long-Term Incentive Plan finalized, with the delivery of 57,696 gross shares in 03/2023, calculated according to the achievement of the plan's performance indicators.

(6) Plan completed with 100% attainment. The equivalent portion of the shares will be paid in cash in March/2024 (after the lockup) and the options may be exercised until the end of the period for exercise in 2030.

(7) Target of the plan in shares and SAN options, to be paid in cash at the end of the vesting period, according to the achievement of the plan's performance indicators.

(8) Target of the plan in PagoNxt shares and options, to be paid in cash at the end of the vesting period, according to the achievement of the plan's performance indicators.

(9) Target of the plan in shares and SAM options, to be paid in cash at the end of the vesting period, according to the achievement of the plan's performance indicators.

(10) Plan downloaded, no hit.

Our long-term programs are divided into Local and Global plans, with specific performance indicators and rules in case of dismissal to be entitled to receive.

Global ILP Plans

Currently, we have 4 global plans launched in 2019, 2020, 2021 and 2022. Eligible executives have an incentive targeting Grupo Santander (SAN) shares and options, payable after a three-year deferral period and settlement of the sale price in reais.

Pricing Model

The pricing model is based on the Local Volatility model or Dupire model, which allows simultaneous calibration of all quoted European options. In addition to this model, there is an extension to deal with uncertainty in dividends, where part of the dividend value is considered confirmed, and the rest is linked to the performance of the underlying. This extended model is integrated into a PDE engine, which numerically solves the corresponding stochastic differential equation to calculate the expected value of the product.

Data and assumptions used in the pricing model, including weighted average share price, exercise price, expected volatility, option life, expected dividends and risk-free interest rate:

- Weighted average share price (and strike price) is €3,104 based on the 15-day weighted average between 7/1/2022 and 1/27/2022
- The expected volatility used was 33.80

*Values expressed in thousands, except when indicated.

- Options expire on 02/01/2030
- Expected dividends range from approximately 6.6 cents in the short term (2022) to approximately 5.75 cents per share per year in the long term (2030)
- The discount curve used gives a discount of 0.96 for 2030

The exercise price, in all cycles and if the objectives established in the regulations are achieved, will be the market price on the exercise date.

Long-Term Incentive Plans (ILP)

Long-term incentive plans may be granted according to the strategy of new companies in the group or specific businesses.

Each plan will have a specific contract and its calculation and payment must be approved by the established governance, observing local and global normative resolutions.

The reference value of each participant will be converted into SANB11 shares, normally at the price of the last 15 trading sessions of the month immediately preceding the plan's payment.

At the end of the vesting period, payment either for the resulting shares in the case of local plans, or for the amount equivalent to the shares/options of the global plans are made with a 1-year restriction, this payment is still subject to the application of the Malus/Clawback clauses, which may reduce or cancel the shares to be delivered in cases of non-compliance with internal rules and exposure to excessive risks.

Impact on Result

The impacts on income are accounted for under Personnel Expenses, as follows:

Program	Liquidity Type	Consolidated	
		01/01 to 06/30/2023	01/01 to 06/30/2022
Local	Santander Shares (Brazil)	9,040	12,622
Global	Santander Spain Shares and Options	2,863	1,599

b) Share-Referenced Variable Compensation

The long-term incentive plan (deferral) sets forth the requirements for payment of future deferred installments of variable remuneration, considering the long-term sustainable financial bases, including the possibility of applying reductions or cancellations due to the risks assumed and fluctuations the cost of capital.

The variable remuneration plan with payment referenced in Banco Santander shares is divided into 2 programs: (i) Identified Collective and (ii) Other Employees. The impacts on the result are accounted for under Personnel Expenses, as follows:

*Values expressed in thousands, except when indicated.

Program	Participant	Liquidity Type	01/01 to 06/30/2023	01/01 to 06/30/2022
Collective Identified	Members of the Executive Committee, Statutory Officers and other executives who assume significant and responsible risks of control areas	50% in cash indexed to 100% of CDI and 50% in shares (Units SANB11)	57,309	19,421
Unidentified Collective	Management-level employees and employees who are benefited by the Deferral Plan	50% in cash indexed to 100% of CDI and 50% in shares (Units SANB11)	105,183	49,898

*Values expressed in thousands, except when indicated.

15. Operating segments

Under IFRS 8, an operating segment is a component of an entity:

- That engages in activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are regularly reviewed by the entity primarily responsible for operating decisions relating to the allocation of resources to the segment and the assessment of its performance; and
- For which separate financial information is available.

Based on these guidelines, the Bank identified the following reportable operating segments:

- Commercial Bank
- Global Wholesale Bank

The Bank has two segments, the commercial segment, which includes individuals and companies (except for global corporate clients, which are dealt with in the Global Wholesale Banking segment) and the Global Wholesale Banking segment, which includes Investment Banking and Markets, including treasury departments and equity businesses.

The Bank operates in Brazil and abroad, through the Cayman and Luxembourg branches, with Brazilian customers and, therefore, does not present geographic segmentation.

The Income Statements and other significant data are as follows:

	01/01 to 06/30/2023			01/01 to 06/30/2023		
	Commercial Banking	Global Wholesale Banking	Total	Commercial Banking	Global Wholesale Banking	Total
(Condensed) Income Statement						
NET INTEREST INCOME	22,002,931	393,277	22,396,208	23,167,279	1,783,541	24,950,820
Income from equity instruments	9,336	19,217	28,553	3,200	16,804	20,004
Equity Income	83,636	22,257	105,893	47,846	18,013	65,859
Net fee and commission income	6,589,504	1,193,899	7,783,403	6,314,471	1,104,971	7,419,442
Gains (losses) on financial assets and liabilities and exchange differences (1)	(1,294,144)	3,438,895	2,144,751	(412,394)	1,581,430	1,169,036
Other operating income/(expenses)	(315,948)	(69,205)	(385,153)	15,177	(40,514)	(25,337)
TOTAL INCOME	27,075,315	4,998,340	32,073,655	29,135,579	4,464,245	33,599,824
Personnel expenses	(4,818,398)	(491,486)	(5,309,884)	(4,391,373)	(395,426)	(4,786,799)
Other administrative expenses	(3,788,952)	(427,775)	(4,216,727)	(3,655,983)	(303,004)	(3,958,987)
Depreciation and amortization	(1,316,373)	(58,063)	(1,374,436)	(1,207,248)	(49,698)	(1,256,946)
Provisions (net)	(2,144,525)	(16,274)	(2,160,799)	(892,640)	(3,216)	(895,856)
Net impairment losses on financial assets	(13,384,763)	(723,715)	(14,108,478)	(11,420,539)	55,605	(11,364,934)
Net impairment losses on other financial assets	(67,267)	(89)	(67,356)	(46,879)	(9,580)	(56,459)
Other financial gains/(losses)	968,689	-	968,689	81,700	-	81,700
OPERATING INCOME BEFORE TAX (1)	2,523,726	3,280,938	5,804,664	7,602,618	3,758,927	11,361,543
Hedge Cambial (1)	(154)	-	(154)	(122)	-	(122)
OPERATING INCOME BEFORE TAX (1)	2,523,572	3,280,938	5,804,510	7,602,496	3,758,925	11,361,421

- (1) Includes, at Banco Comercial, the foreign exchange hedge of the dollar investment (a strategy to mitigate the tax effects and exchange rate variation of offshore investments on net income), the result of which is recorded in "Gains (losses) on financial assets and liabilities" fully offset in the Tax line.

	06/30/2023			12/31/2022		
	Commercial Banking	Global Wholesale Banking	Total	Commercial Banking	Global Wholesale Banking	Total
Other aggregates:						
Total assets	959,384,432	98,820,102	1,058,204,534	886,630,727	98,820,102	985,450,830
Loans and advances to customers	421,455,954	77,850,625	499,306,579	417,773,158	72,856,870	490,630,028
Customer deposits	370,661,975	140,378,460	511,040,435	356,744,926	133,208,563	489,953,489

*Values expressed in thousands, except when indicated.

16. Related party transactions

The Bank's related parties include, in addition to its subsidiaries, affiliates and joint ventures, key management personnel of the Bank and entities over which these key personnel may exercise significant influence or control.

Santander has a Policy for Transactions with Related Parties approved by the Board of Directors, which aims to ensure that all transactions typified in the policy are carried out bearing in mind the interests of Banco Santander and its shareholders. The policy defines powers for approval of certain transactions by the Board of Directors. The established rules are also applied to all employees and managers of Banco Santander and its subsidiaries.

Operations and remuneration for services with related parties are carried out in the normal course of business and under commutative conditions, including interest rates, terms and guarantees, and do not involve greater risks than normal collection or other disadvantages.

a) Key-person management compensation

For the period from January to December 2023, the amount proposed by management as global remuneration of administrators (Board of Directors and Executive Board) is up to R\$ 500,000,000 (five hundred million reais), covering fixed, variable and share-based compensation. The proposal will be discussed at the Ordinary General Meeting (AGO) to be held on April 28, 2023.

i) Long-term benefits

The Banco Santander as well as Banco Santander Spain, as other subsidiaries of Santander Group, have long-term compensation programs tied to their share's performance, based on the achievement of goals.

ii) Short-term benefits

The following table shows the Board of Directors' and Executive Board's:

	01/01 to 06/30/2023	01/01 to 06/30/2022
Fixed Compensation	75,444	58,192
Variable Compensation - in cash	56,678	86,442
Variable Compensation - in shares	50,477	70,828
Others	28,636	23,753
Total Short-Term Benefits	211,235	239,215
Variable Compensation - in cash	68,908	82,643
Variable Compensation - in shares	68,507	87,468
Total Long-Term Benefits	137,415	170,111
Total	348,650	409,326

Additionally, in the period ended June 30, 2023, charges were paid on management compensation in the amount of R\$23.645 (06/30/2022 - R\$18,493).

iii) Termination of the contract

The termination of the employment relationship with the administrators, in the event of breach of obligations or by the contractor's own will, does not give the right to any financial compensation and its benefits will be discontinued.

b) Credit operations

Under current legislation, loans or advances involving:

I - Directors, members of the Board of Directors and the Audit Committee, as well as their respective spouses and relatives, up to the second degree;

II - Individuals or legal entities holding more than 10% in the capital of Banco Santander;

III - Legal entities, in which the capital of Banco Santander hold more than 10%; It is

IV - Legal entities, whose capital they hold more than 10%, any of the directors, members of the Board of Directors and the Audit Committee or administrators of the financial institution itself, as well as their spouses and respective relatives, up to the second degree.

*Values expressed in thousands, except when indicated.

c) Shareholding

The following table shows the direct shareholding (common and preferred shares) on June 30, 2023, and December 31, 2022:

Stockholders	Common Shares	Common Shares (%)	Preferred Shares	Preferred Shares (%)	Total Shares	Shares in
						Thousands
						06/30/2023
						Total Shares (%)
Sterrebeeck B.V. (1)	1,809,583	47.4%	1,733,644	47.1%	3,543,227	47.3%
Grupo Empresarial Santander, S.L. (GES) (1)	1,627,891	42.6%	1,539,863	41.9%	3,167,754	42.2%
Banco Santander, S.A. (1)	2,696	0.1%	-	0.0%	2,696	0.0%
Directors (*)	4,678	0.1%	4,678	0.1%	9,356	0.1%
Others	346,782	9.1%	374,587	10.2%	721,369	9.6%
Total Outstanding	3,791,630	99.3%	3,652,772	99.3%	7,444,402	99.3%
Treasury Shares	27,065	0.7%	27,064	0.7%	54,128	0.7%
Total	3,818,695	100.0%	3,679,836	100.0%	7,498,531	100.0%
Free Float (2)	346,782	9.1%	374,587	10.2%	721,369	9.6%

Stockholders	Common Shares	Common Shares (%)	Preferred Shares	Preferred Shares (%)	Total Shares	Shares in
						Thousands
						12/31/2022
						Total Shares (%)
Sterrebeeck B.V. (1)	1,809,583	47.4%	1,733,644	47.1%	3,543,227	47.3%
Grupo Empresarial Santander, S.L. (GES) (1)	1,627,891	42.6%	1,539,863	41.9%	3,167,754	42.2%
Banco Santander, S.A. (1)	2,696	0.1%	-	0.0%	2,696	0.0%
Directors (*)	4,444	0.1%	4,444	0.1%	8,888	0.1%
Others	342,919	9.0%	370,723	10.1%	713,642	9.6%
Total Outstanding	3,787,533	99.2%	3,648,674	99.2%	7,436,207	99.2%
Treasury Shares	31,162	0.8%	31,162	0.8%	62,324	0.8%
Total	3,818,695	100.0%	3,679,836	100.0%	7,498,531	100.0%
Free Float (2)	342,919	9.0%	370,723	10.1%	713,642	9.5%

(1) Companies of the Santander Spain Group.

(2) Composed of Employees and Others.

(*) None of the members of the Board of Directors and Executive Board holds 1.0% or more of any class of shares.

*Values expressed in thousands, except when indicated.

d) Related-Party Transactions

Santander has a Policy for Transactions with Related Parties approved by the Board of Directors, which aims to ensure that all transactions typified in the policy are carried out bearing in mind the interests of Banco Santander and its shareholders. The policy defines powers for approval of certain transactions by the Board of Directors.

The established rules are also applied to all employees and managers of Banco Santander and its subsidiaries. Operations and remuneration of services with related parties are carried out in the normal course of business and under commutative conditions, including interest rates, terms and guarantees, and do not involve greater risks than normal collection or present other disadvantages.

	Parent (1)		Joint-controlled companies and Other Related Party (2)		Key Management Personnel (3)		Total	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Assets	11,559,070	4,671,501	22,502,858	24,340,579	24,761	25,737	34,086,689	29,037,817
Derivatives Measured At Fair Value Through Profit Or Loss, Net	4,146,404	(3,138,996)	284,038	1,034,184	-	-	4,430,442	(2,104,812)
Loans and other amounts with credit institutions - Availability and Applications in Foreign Currency (Overnight Applications)	7,333,441	7,800,513	21,070,249	21,408,097	-	-	28,403,690	29,208,610
Loans and other values with customers	79,225	-	935,522	1,795,084	20,721	16,380	1,035,468	1,811,464
Other Assets	-	9,984	213,049	103,214	-	-	213,049	113,198
Warranties and Limits	-	-	-	-	4,040	9,357	4,040	9,357
Liabilities	(16,248,221)	(23,541,990)	(8,599,263)	(7,953,565)	(336,495)	(263,592)	(25,183,979)	(31,759,147)
Deposits from credit institutions	(3,970,257)	(10,167,933)	(8,007,756)	(6,846,987)	-	-	(11,978,013)	(17,014,920)
Securities	-	-	(0)	-	(80,699)	(201,054)	(80,699)	(201,054)
Customer deposits	-	-	(385,394)	(904,926)	(31,584)	(31,040)	(416,978)	(935,966)
Other Liabilities - Dividends and Interest on Capital Payable	(440)	-	-	-	-	-	(440)	-
Other Liabilities	(113,144)	(201,380)	(206,113)	(201,652)	(224,212)	(31,498)	(543,469)	(434,530)
Debt Instruments Eligible for Capital	(12,164,380)	(13,172,677)	-	-	-	-	(12,164,380)	(13,172,677)
	01/01 a	01/01 a	01/01 a	01/01 a	01/01 a	01/01 a	01/01 a	01/01 a
	06/30/2023	06/30/2022	06/30/2023	06/30/2022	06/30/2023	06/30/2022	06/30/2023	06/30/2022
Income	2,757,794	4,283,602	376,046	1,031,164	(344,244)	(404,126)	2,789,596	4,910,639
Interest and similar income - Loans and amounts due from credit institutions	153,823	593	-	-	1,336	986	155,159	1,579
Warranties and Limits	-	-	-	-	9,171	12,642	9,171	12,642
Interest expense and similar charges - Customer deposits	(6,949)	(38,049)	(138,548)	(163,047)	(355,161)	(417,936)	(500,658)	(619,032)
Fee and commission income (expense)	(79,225)	-	1,535,045	1,600,322	253	197	1,456,073	1,600,519
Gains (losses) on financial assets and liabilities and exchange differences (net)	3,225,124	4,846,365	(755,816)	(159,744)	158	163	2,469,465	4,686,784

Independent Auditors' Report	Financial Statements	Explanatory Notes	Management Report	Composition of Management
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*Values expressed in thousands, except when indicated.

Administrative expenses and amortization	(113,123)	(103,483)	(257,320)	(267,878)	-	-	(370,443)	(371,361)
Result on disposal of assets not classified as non-current assets held for sale	-	-	-	12,820	-	(178)	-	12,642
Debt Instruments Eligible for Capital	(421,856)	(421,824)	-	-	-	-	(421,856)	(421,824)
Other Administrative expenses - Donation	-	-	(7,315)	8,691	-	-	(7,315)	8,691

(1) Parent company - Banco Santander is indirectly controlled by Banco Santander Espanha (Note 1), through its subsidiaries GES and Sterrebeeck B.V.

(2) Companies listed in note 5.

(3) Refers to the registration in clearing accounts of Guarantees and Limits of credit operations with Key Management Personnel.

*Values expressed in thousands, except when indicated.

17. Fair value of financial assets and liabilities

Under IFRS 13, the fair value measurement uses a fair value hierarchy that reflects the model used in the measurement process which should be in accordance with the following hierarchical levels:

Level 1: Determined on the basis of public (unadjusted) quoted prices in highly active markets for identical assets and liabilities, these include public debt securities, stocks, derivatives listed.

Level 2: They are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: They are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets and liabilities at fair value on through income statement or other comprehensive income

Level 1: The securities with high liquidity and quoted prices in active market are classified as level 1. At this level there were classified most of the Brazilian Government Securities (mainly LTN, LFT, NTN-B, NTN-C and NTN-F), shares in stock exchange and other securities traded in the active market.

Level 2: When price quotations cannot be observed, Management, using its own internal models, makes its best estimate of the price that would be set by the market. These models use data based on observable market parameters as an important reference. The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, unless the fair value of the instrument can be derived from other market transactions carried out with the same or similar instruments or can be measured using a valuation technique in which the variables used include only observable market data, particularly interest rates. These bonds and securities are classified at level 2 of the fair value hierarchy and are composed mainly of Government Securities (Repo, Cancelable LCI and NTN) in a less liquid market than those classified in the level.

Level 3: When there is information that is not based on observable market data, Banco Santander uses internally developed models, from curves generated according to the internal model. Level 3 comprises mainly unlisted shares.

Derivatives

Level 1: Derivatives traded on stock exchanges are classified in Level 1 of the hierarchy.

Level 2: For derivatives traded over the counter, the valuation (primarily swaps and options) usually uses observable market data, such as: exchange rates, interest rates, volatility, correlation between indexes and market liquidity.

When pricing the financial instruments aforementioned, it is used the Black-Scholes Model (exchange rate options, interest rate options; caps and floors) and the present value method (discount of future values by market curves).

Level 3: Derivatives not traded in the stock exchange and that do not have observable data in an active market were classified as Level 3, and these are composed by exotic derivatives.

The following table shows a summary of the fair values of financial assets and liabilities for the period ended march 31, 2023, and december 31, 2022, classified based on several measurement methods adopted by the Bank to determine their fair value:

	06/30/2023			
	Level 1	Level 2	Level 3	Total
Financial Assets Measured At Fair Value Through Profit Or Loss	74,908,530	96,509,669	4,050,946	175,469,145
Debt instruments	72,180,061	3,859,187	2,658,023	78,697,271
Equity instruments	2,728,469	523,616	44,907	3,296,992
Derivatives	-	30,274,010	925,716	31,199,726
Loans and advance to customers	-	1,178,535	422,300	1,600,835
Balances with The Brazilian Central Bank	-	60,674,321	-	60,674,321
Financial Assets Measured At Fair Value Through Other Comprehensive Income	50,094,031	1,590,891	835,036	52,519,958
Debt instruments	50,089,928	1,586,276	819,868	52,496,072
Equity instruments	4,103	4,615	15,168	23,886
Hedging derivatives (assets)	-	121,982	-	121,982
Financial Liabilities Measured At Fair Value Through Profit Or Loss	-	61,844,256	298,700	62,142,956
Trading derivatives	-	27,364,277	298,700	27,662,977
Short positions	-	27,513,726	-	27,513,726
Other financial liabilities	-	6,966,253	-	6,966,253
Hedging derivatives (liabilities)	-	1,620,000	-	1,620,000

*Values expressed in thousands, except when indicated.

	12/31/2022			
	Level 1	Level 2	Level 3	Total
Financial Assets Measured At Fair Value Through Profit Or Loss	63,367,187	78,496,001	3,652,114	145,515,302
Debt instruments	61,099,827	2,418,822	2,672,805	66,191,454
Equity instruments	2,267,360	309,657	28,262	2,605,279
Derivatives	-	19,697,923	536,583	20,234,506
Loans and advance to customers	-	1,479,818	414,464	1,894,282
Balances with The Brazilian Central Bank	-	54,589,781	-	54,589,781
Financial Assets Measured At Fair Value Through Other Comprehensive Income	52,154,497	1,767,733	1,503,441	55,425,671
Debt instruments	52,154,405	1,762,547	1,475,226	55,392,178
Equity instruments	92	5,186	28,215	33,493
Hedging derivatives (assets)	-	1,741,318	-	1,741,318
Financial Liabilities Measured At Fair Value Through Profit Or Loss Held For Trading	-	49,434,504	233,762	49,668,266
Trading derivatives	-	18,465,563	233,762	18,699,325
Short positions	-	22,047,423	-	22,047,423
Other financial liabilities	-	8,921,518	-	8,921,518
Hedging derivatives (liabilities)	-	-	-	-

Movements in fair value of Level 3

The following tables demonstrate the movements during the period ended June 30, 2023, and 2022, for the financial assets and liabilities classified as Level 3 in the fair value hierarchy:

	Fair Value 12/31/2022	Gains/ losses (Realized/No t Realized)	Transfers to Level 3	Additions / Low	Fair value 06/30/2023
Financial Assets Measured At Fair Value Through Profit Or Loss	3,652,114	(306,139)	(104,769)	809,740	4,050,946
Financial Assets Measured At Fair Value Through Other Comprehensive Income	1,503,441	(21,433)	(637,021)	(9,951)	835,036
Financial Liabilities Measured At Fair Value Through Profit Or Loss Held For Trading	233,762	(557)	(110,163)	175,658	298,700

	Fair Value 12/31/2021	Gains/ losses (Realized/No t Realized)	Transfers to Level 3	Additions / Low	Fair value 06/30/2022
Financial Assets Measured At Fair Value Through Profit Or Loss	3,432,233	631,408	(166,156)	200,048	4,097,533
Financial Assets Measured At Fair Value Through Other Comprehensive Income	601,604	278,432	-	-	880,036
Financial Liabilities Measured At Fair Value Through Profit Or Loss Held For Trading	433,583	(88,626)	(78,826)	(71,542)	194,589

Fair value movements linked to credit risk

Changes in fair value attributable to changes in credit risk are determined based on changes in the prices of credit default swaps compared to similar obligations of the same obligor when such prices are observable, as these credit default swaps better reflect the market's assessment of credit risks for a specific financial asset.

When said prices are not observable, changes in fair value attributable to changes in credit risk are determined as the total amount of changes in fair value not attributable to changes in the base interest rate or other rates observed market. In the absence of specific observable data, this approach provides a reasonable approximation of the changes attributable to credit risk, as it estimates the margin change above the benchmark that the market may require for the financial asset.

Financial assets and liabilities not measured at fair value

The Bank's financial assets are measured at fair value in the consolidated balance sheet, except for financial assets measured at amortized cost.

*Values expressed in thousands, except when indicated.

In the same sense, the Bank's financial liabilities, except for financial liabilities held for trading and those measured at fair value - are stated at amortized cost in the consolidated balance sheet.

i) Financial assets measured at other than fair value

Below is a comparison of the carrying amounts of financial assets of the Bank measured by a value other than the fair value and their respective fair values on June 30, 2023, and December 31, 2022:

Assets	06/30/2023				
	Accounting Value	Fair Value	Level 1	Level 2	Level 3
Cash and Balances with the Brazilian Central Bank	20,697,113	20,697,113	20,697,113	-	-
Financial Assets Measured At Amortized Cost					
Loans and amounts due from credit institutions	28,823,598	28,823,690	-	4,680,088	24,143,602
Loans and advances to customers	497,705,744	495,921,815	-	-	495,921,815
Debt instruments	108,190,462	109,179,366	44,149,404	3,970,196	61,059,766
Balances with The Brazilian Central Bank	77,419,887	77,419,887	-	77,419,887	-
Total	732,836,804	732,041,871	64,846,517	86,070,171	581,125,183

Assets	12/31/2022				
	Accounting Value	Fair Value	Level 1	Level 2	Level 3
Cash and Balances with the Brazilian Central Bank	22,003,439	22,003,439	22,003,439	-	-
Financial Assets Measured At Amortized Cost					
Loans and amounts due from credit institutions	20,713,315	20,713,315	-	2,439,823	18,273,492
Loans and advances to customers	488,735,746	484,362,272	-	-	484,362,272
Debt instruments	81,329,013	81,129,982	23,419,946	9,873,633	47,836,403
Balances with The Brazilian Central Bank	73,046,299	73,046,299	-	73,046,299	-
Total	685,827,812	681,255,307	45,423,385	85,359,755	550,472,167

ii) Financial liabilities measured at other than fair value

Following is a comparison of the carrying amounts of Bank's financial liabilities measured by a value other than fair value and their respective fair values on June 30, 2023, and December 31, 2022:

Liabilities	06/30/2023				
	Accounting Value	Fair Value	Level 1	Level 2	Level 3
Financial Liabilities at Measured Amortized Cost:					
Deposits of Brazil's Central Bank and deposits of credit institutions	123,112,350	123,112,350	-	19,712,565	103,399,785
Customer deposits	511,040,435	511,543,114	-	66,660,315	444,882,799
Marketable debt securities	127,042,251	127,088,448	-	-	127,088,448
Debt instruments Eligible Capital	19,008,268	19,008,268	-	-	-
Other financial liabilities	71,662,652	71,662,652	-	-	71,662,652
Total	851,865,956	852,414,832	-	86,372,880	766,041,952

Liabilities	12/31/2022				
	Accounting Value	Fair Value	Level 1	Level 2	Level 3
Financial Liabilities at Measured Amortized Cost:					
Deposits of Brazil's Central Bank and deposits of credit institutions	116,079,014	116,079,014	-	24,734,029	91,344,985
Customer deposits	489,953,489	489,920,266	-	63,223,998	426,696,268
Marketable debt securities	107,120,875	105,554,365	-	-	105,554,365
Debt instruments Eligible Capital	19,537,618	19,537,618	-	-	19,537,618
Other financial liabilities	62,593,104	62,593,104	-	-	62,593,104
Total	795,284,100	793,684,367	-	87,958,027	705,726,340

**Values expressed in thousands, except when indicated.*

The methods and assumptions used to estimate fair value are defined below:

Loans and amounts due from credit institutions and from clients – Fair value is estimated by groups of similar credits. The fair value of the loans was determined by discounting the cash flows using the interest rates of the new contracts. That is, the future cash flow of the current loan portfolio is estimated based on contractual rates, and then spreads based on new loans are factored into the risk-free yield curve in order to calculate the fair value of the credit portfolio. In terms of behavioral hypotheses, it is important to underline that the prepayment rate is applied to the credit portfolio.

Deposits from Bacen and credit institutions and Client deposits – The fair value of deposits was calculated by discounting the difference between the cash flows under the contractual conditions and the rates currently practiced in the market for instruments whose maturities are similar. The fair value of time deposits with variable rate was considered as close to its book value.

Debt and Subordinated Securities – The fair values of these items were estimated by calculating the cash flow discounted using the interest rates offered in the market for obligations with similar terms and maturities.

Debt Instruments Eligible to Capital – refer to the transaction fully agreed with a related party, in the context of the Capital Optimization Plan, whose book value is similar to fair value.

Other financial liabilities - according to the explanatory note, substantially include amounts to be transferred arising from the operations of credit cards, transactions pending settlement and dividends and interest on shareholders' equity payable, the carrying amount of which is similar at its fair value.

The valuation techniques used to estimate each level are defined in note 1.c.2.1.i.

Management revisited the criteria assigned to classify the fair value level of assets and liabilities measured at cost amortized, presented exclusively for disclosure purposes and concluded that they best fit as level 3 in view of the data market observables.

*Values in thousands, except when indicated.

18. Other disclosures

a) Trading and hedging derivatives

The main risk factors of the derivative instruments assumed are related to exchange rates, interest rates and variable income. In managing this and other risk factors for market, practices are used that include measuring and monitoring the use of limits previously defined in internal committees, the value at risk of the portfolios, the sensitivities fluctuations in interest rates, exchange rate exposure, liquidity gaps, among other practices that allow for the control and monitoring of risks, which may affect the Bank's positions Santander in the various markets where it operates. Based on this management model, the Bank has managed, with the use of operations involving derivative instruments, to optimize the risk-benefit ratio even in highly volatile situations.

The fair value of derivative financial instruments is determined through quoted market prices. The fair value of swaps is determined using flow modeling techniques discounted cash, reflecting appropriate risk factors. The fair value of forward and futures contracts is also determined based on quoted market prices for derivatives traded on exchanges or using methodologies similar to those described for swaps. The fair value of options is determined based on mathematical models, such as Black & Scholes, implied volatilities and the fair value of the corresponding asset. Current market prices are used to price volatilities. For derivatives that are not directly priced disclosed by exchanges, the fair price is obtained through pricing models that use market information, inferred from published prices of more liquid assets. Of these prices are extracted from interest curves and market volatilities that serve as input data for the models.

I) Summary of Derivative Financial Instruments

Below, the composition of the portfolio of Derivative Financial Instruments (Assets and Liabilities) by type of instrument, demonstrated by their market value:

	06/30/2023		12/31/2022	
	Assets	Liabilities	Assets	Liabilities
Swap Differentials Receivable	12,908,058	14,390,179	13,815,247	11,212,030
Option Premiums to Exercise	1,584,569	1,946,563	1,419,279	1,894,522
Forward Contracts and Other	16,829,081	12,946,235	6,741,298	5,592,773
Total	31,321,708	29,282,977	21,975,824	18,699,325

II) Derivative Financial Instruments Recorded in Offsetting and Equity Accounts

	06/30/2023			12/31/2023		
	Notional (1)	Curve Value	Fair Value	Notional (1)	Curve Value	Fair Value
Trading						
Swap	666,416,193	(7,324,461)	(1,482,120)	779,023,280	(3,682,261)	2,603,217
Asset	328,418,084	8,099,809	12,908,059	393,351,898	11,857,946	13,815,247
Fees	291,984,697	7,134,641	12,206,734	272,642,004	10,420,491	9,985,823
Indexed to Foreign Currency	25,742,188	891,366	373,026	116,577,474	1,292,203	4,764,609
Other	10,691,199	73,802	328,298	4,132,420	145,252	(935,185)
Liabilities	337,998,109	(15,424,270)	(14,390,179)	385,671,382	(15,540,207)	(11,212,030)
Fees	299,004,885	(11,899,266)	(12,701,200)	290,316,480	(12,735,256)	(8,798,667)
Indexed to Foreign Currency	28,284,768	(3,433,945)	(1,566,773)	91,303,383	(2,804,302)	(3,494,263)
Other	10,708,456	(91,059)	(122,206)	4,051,519	(649)	1,080,900
Options	844,107,667	(1,005,763)	(361,995)	1,150,540,616	(877,100)	(475,243)
Purchased Position	413,408,702	2,163,170	1,584,569	600,275,162	2,243,354	1,419,279
Call Option - Foreign Currency	16,493,363	863,100	491,455	10,629,479	440,097	214,722
Put Option - Foreign Currency	12,365,810	675,273	534,292	4,474,015	122,896	124,163
Call Option - Other	43,121,571	224,698	482,400	94,414,288	674,574	577,487

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Interbank Market			3,982,116	202,243	482,215	92,324,275	608,913	555,707
Other (2)			39,139,455	22,455	185	2,090,013	65,661	21,780
Put Option - Other			341,427,958	400,099	76,422	490,757,380	1,005,787	502,907
Interbank Market			235,600	34,241	26,155	490,535,950	980,433	480,682
Other (2)			341,192,358	365,858	50,267	221,430	25,354	22,225
Sold Position			430,698,965	(3,168,933)	(1,946,563)	550,265,454	(3,120,454)	(1,894,522)
Call Option - US Dollar			24,765,549	(1,300,708)	(458,128)	6,763,742	(292,212)	(165,919)
Put Option - US Dollar			17,036,300	(733,825)	(937,332)	8,885,700	(409,758)	(508,584)
Call Option - Other			47,651,174	(768,051)	(424,788)	42,840,737	(1,590,130)	(821,508)
Interbank Market			7,428,751	(741,484)	(423,321)	33,377,728	(575,451)	(349,710)
Other (2)			40,222,423	(26,567)	(1,467)	9,463,009	(1,014,679)	(471,798)
Put Option - Other			341,245,942	(366,349)	(126,315)	491,775,275	(828,354)	(398,511)
Interbank Market			140,927	(12,834)	(75,496)	491,596,383	(804,467)	(378,608)
Futures Contracts			435,631,152	-	-	278,348,786	-	-
Purchased Position			216,527,421	-	-	254,505,429	-	-
Exchange Coupon (DDI)			72,474,220	-	-	77,727,137	-	-
Interest Rates (DI1 and DIA)			52,262,807	-	-	148,713,860	-	-
Foreign Currency			74,592,066	-	-	27,444,003	-	-
Indexes (3)			7,769,559	-	-	482,394	-	-
Sold Position			219,103,731	-	-	23,843,357	-	-
Exchange Coupon (DDI)			72,474,220	-	-	17,259,936	-	-
Interest Rates (DI1 and DIA)			57,058,176	-	-	3,337,596	-	-
Foreign Currency			74,628,570	-	-	1,327,928	-	-
Indexes (3)			5,513,996	-	-	1,787,973	-	-
Treasury Bonds/Notes			9,428,769	-	-	129,924	-	-
Forward Contracts and Other			250,482,871	2,707,671	3,882,846	152,669,932	1,394,796	1,148,525
Purchased Position			128,992,956	5,847,922	16,829,081	93,143,116	2,292,188	6,741,298
Currencies			107,754,726	5,534,028	14,965,160	72,849,455	1,938,956	6,426,685
Other			21,238,230	313,894	1,863,921	20,293,661	353,232	314,613
Sold Position			121,489,915	(3,140,251)	(12,946,235)	59,526,816	(897,392)	(5,592,773)
Currencies			104,776,977	(2,556,279)	(11,802,499)	53,574,925	(847,425)	(6,490,282)
Other			16,712,938	(583,972)	(1,143,736)	5,951,891	(49,967)	897,509

(1) Nominal value of updated contracts.

(2) Includes options for indices, being mainly options involving US Treasury, shares and stock indices.

(3) Includes Bovespa and S&P indices.

*Values in thousands, except when indicated.

III) Derivative Financial Instruments by Counterparty, Opening by Maturity and Trading Market

						By Counterparty			By Maturity		Notional By Market Trading
						06/30/2023		06/30/2023		06/30/2023	
	Customers	Related Parties	Financial Institutions (1)	Total	Total	Up to 3 Months	From 3 to 12 Months	Over 12 Months	Stock exchange (2)	Over the counter (3)	
Swap	162,916,356	203,751,888	299,747,949	666,416,193	393,351,898	49,630,292	169,341,640	447,444,261	85,881,546	580,534,647	
Options	39,906,409	2,723,609	801,477,649	844,107,667	1,150,540,616	316,923,188	475,213,965	51,970,514	771,473,727	72,633,940	
Futures Contracts	9,620,226	-	426,010,926	435,631,152	278,348,786	240,413,267	86,386,157	108,831,728	435,631,152	-	
Forward Contracts and Other	93,505,173	111,833,881	45,143,817	250,482,871	152,669,932	99,510,915	97,251,408	53,720,548	18,143,458	232,339,413	

(1) Includes operations with B3 S.A. - Brazil, Bolsa, Balcão (B3) and other stock and commodity exchanges as counterparty.

(2) Includes values traded at B3.

(3) It consists of transactions that are included in registration chambers, in accordance with Bacen regulations.

IV) Accounting Hedge

The Bank, in the normal course of its operations, is exposed to market risks that generate accounting asymmetries or volatility in its accounting result. To eliminate these asymmetries or reduce volatility, the Bank uses derivative financial instrument contracts (Swap and Futures) that are assigned to Accounting Hedge structures of fair value or cash flow.

IV.I) Fair Value Hedge

The Bank's fair value hedge strategy aims to protect the fair value of assets and liabilities arising from fluctuations in the reference interest rate (CDI, SELIC, SOFR); in currency fluctuations (Exchange rate risk) and/or price index fluctuations (IPCA, etc). The Bank monitors each hedge structure, assessing its effectiveness as determined by IAS 39.

Strategies	06/30/2023					
	Adjustment to Value Market		Market Value		Notional	
	Objects (1)	Instruments (1)	Objects (1)	Instruments (1)	Objects (1)	Instruments (1)
Fair Value Coverage						
Swap Agreements	24,651	50,729	346,520	397,249	321,869	346,520
Hegde of Credit Operations	24,651	50,729	346,520	397,249	321,869	346,520
Futures Contracts	1,798,714	175,466	34,353,228	31,412,119	32,554,514	31,236,653
Hegde of Credit Operations	(667,533)	271,227	11,891,759	10,361,578	12,559,292	10,090,351
Hegde of Securities	419,210	(260,378)	10,367,472	10,012,044	9,948,262	10,272,422
Funding Hedge	2,047,037	164,617	12,093,997	11,038,497	10,046,960	10,873,880

Strategies	12/31/2022					
	Adjustment to Value Market		Market Value		Notional	
	Objects (1)	Instruments (1)	Objects (1)	Instruments (1)	Objects (1)	Instruments (1)
Fair Value Coverage						
Swap Agreements	(24,687)	48,140	436,812	485,842	461,499	437,702
Hegde of Credit Operations	(24,687)	48,140	436,812	485,842	461,499	437,702
Futures Contracts	1,729,350	3,862,299	77,682,587	78,919,900	75,953,237	75,057,601

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Hedge of Credit Operations	3,067,594	686,249	13,597,509	12,137,751	10,529,915	11,451,502
Hedge of Securities	(609,013)	-	3,178,926	3,971,751	3,787,939	3,971,751
Funding Hedge	(729,231)	3,176,050	60,906,152	62,810,398	61,635,383	59,634,348

Strategies	Up to 3 Month	From 3 to 12 Months	Above 12 Months	06/30/2023 Total	12/31/2022 Total
Fair Value Hedge					
Swap Contracts	-	-	346,520	346,520	437,702
Credit Operations Hedge	-	-	346,520	346,520	437,702
Futures Contracts	1,343,572	5,048,031	24,845,050	31,236,653	75,057,601
Hedge of Securities	1,343,572	2,694,576	6,052,204	10,090,352	11,451,502
Securities Hedge	-	240,486	10,031,935	10,272,421	3,971,751
Hedge of Funding	-	2,112,969	8,760,911	10,873,880	59,634,348

IV.II) Cash Flow Hedge

The Bank's cash flow hedging strategies consist of hedging exposure to changes in cash flows, interest payments and exchange rate exposure, which are attributable to changes in interest rates relating to recognized assets and liabilities and changes of exchange rates of unrecognized assets and liabilities.

In cash flow hedges, the effective portion of the variation in the value of the hedging instrument is temporarily recognized in equity under the caption "Other comprehensive income - cash flow hedges" (Note 25) until the forecast transactions occur, when then this portion is recognized in the consolidated statements of income, except, if the anticipated transactions result in the recognition of non-financial assets or liabilities, this portion will be included in the cost of the financial asset or liability.

Hedge Structure	06/30/2023 Effective Portion Accumulated	12/31/2022 Effective Portion Accumulated
Eurobonds	-	-
Trade Finance Off	(13,244)	(72,624)
CDB	(487,073)	(984,396)
Treasury bonds (LFT)	(61,301)	(536,935)
Total	(561,618)	(1,593,955)

Strategies	Adjustment to Value Market		Market Value		Notional		06/30/2023
Cash Flow Hedge	Objects (1)	Instruments (1)	Objects (1)	Instruments (1)	Objects (1)	Instruments (1)	
Swap Agreements	(488,480)	232,009	11,917,772	10,491,509	12,406,252	10,259,500	
Hedge of Securities	(488,480)	232,009	11,917,772	10,491,509	12,406,252	10,259,500	
Futures Contracts	(2,980,326)	516,841	9,049,479	11,007,814	12,029,805	10,490,973	
Hedge of Credit Operations	(840,076)	13,244	1,817,193	2,323,056	2,657,269	2,309,812	
Hedge of Securities	(2,237,889)	442,296	6,732,245	8,194,936	8,970,134	7,752,640	
Funding Hedge	97,639	61,301	500,041	489,822	402,402	428,521	

*Values in thousands, except when indicated.

Strategies	Adjustment to Value Market		Market Value		Notional		12/31/2022
	Objects (1)	Instruments (1)	Objects (1)	Instruments (1)	Objects (1)	Instruments (1)	
	Cash Flow Hedge						
Swap Agreements	362,134	576,744	14,172,916	14,193,938	13,810,782		13,617,194
Hedge of Securities	362,134	576,744	8,769,442	9,434,133	8,407,308		8,857,389
Hedge of funding	-	-	5,403,474	4,759,805	5,403,474		4,759,805
Futures Contracts	2,249,019	(173,044)	36,410,187	33,587,085	34,161,168		33,760,130
Hegde of Credit Operations	2,647,973	54,882	14,899,280	14,094,417	12,251,307		14,039,535
Hegde of Securities	1,550,209	(228,270)	11,518,806	8,041,167	9,968,597		8,269,437
Funding Hedge	(1,949,163)	344	9,992,101	11,451,502	11,941,264		11,451,158

(*) The Bank has cash flow hedging strategies, the objects of which are assets in its portfolio, which is why we demonstrate the liability position of the respective instruments. For structures whose instruments are futures, we demonstrate the notional balance, recorded in a memorandum account.

(1) Credit values refer to active operations and debit operations to passive operations

Strategies	Up to	From 3 to	Above	06/30/2023	12/31/2022
	3 Month	12 Months	12 Months	Total	Total
Cash Flow Hedge					
Swap Agreements	-	-	10,259,500	10,259,500	8,857,389
Hegde of Credit Operations	-	-	10,259,500	10,259,500	8,857,389
Hedge of Funding	-	-	-	-	-
Futures Contracts	-	-	10,490,973	10,490,973	33,760,130
Hegde of Securities	-	-	2,309,812	2,309,812	14,039,535

In the Bank and in the Consolidated, the effect of the mark-to-market of swap contracts and future assets corresponds to a credit in the amount of R\$41,339 (12/31/2022 - R\$164,383) and is accounted for in shareholders' equity, net of tax effects, of which R\$41,001 will be paid against revenue over the next ten months.

V) Information on Credit Derivatives

Banco Santander uses credit derivatives in order to manage counterparty risk and meet the demands of its customers, carrying out hedging purchase and sale operations. through credit default swaps and total return swaps, primarily related to securities with Brazilian sovereign risk.

Total Return Swaps – TRS

These are credit derivatives in which the return on the reference obligation is exchanged for a cash flow and in which, in the event of a credit event, usually the protection buyer has the right to receive from the protection seller the equivalent of the difference between the updated value and the fair value (market value) of the reference obligation on the contract settlement date.

*Values in thousands, except when indicated.

Credit Default Swaps – CDS

These are credit derivatives where, in the event of a credit event, the protection buyer has the right to receive from the protection seller the equivalent of the difference between the face value of the CDS contract and the fair value (market value) of the reference obligation on the settlement date of the contract. In return, the seller receives remuneration for the sale of the protection.

Below, composition of the Credit Derivatives portfolio demonstrated by its reference value and effect in the calculation of the Required Equity (PLE)

	06/30/2023		Notional 12/31/2022	
	Retained Risk - Total Rate of Return Swap	Transferred Risk - Credit Swap	Retained Risk - Total Rate of Return Swap	Transferred Risk - Credit Swap
Credit Swaps	3,440,835	7,574,782	3,725,358	7,831,108
Total	3,440,835	7,574,782	3,725,358	7,831,108

During the period, there was no credit event related to taxable events provided for in the contracts.

	06/30/2023		12/31/2022	
	Over 12 Months	Total	Over 12 Months	Total
Maximum Potential for Future Payments - Gross				
Per Instrument: CDS	11,015,617	11,015,617	11,556,466	11,556,466
Per Risk Classification: Below Investment Grade	11,015,617	11,015,617	11,556,466	11,556,466
Per Reference Entity: Brazilian Government	11,015,617	11,015,617	11,556,466	11,556,466

VI) Derivative Financial Instruments - Margins Pledged as Guarantee

The margin given in guarantee for transactions traded at B3 with own and third party derivative financial instruments is composed of federal public securities.

	06/30/2023	12/31/2022
Financial Treasury Bill - LFT	18,406,405	18,269,122
National Treasury Bill - LTN	1,594,286	3,291,246
National Treasury Notes - NTN	8,107,301	10,904,676
Total	28,107,992	32,465,044

*Values in thousands, except when indicated.

b) Financial instruments - Sensitivity analysis

Risk management is focused on portfolios and risk factors, in accordance with Bacen regulations and good international practices.

Financial instruments are segregated into trading portfolios (Trading Book) and banking portfolio (Banking Book), as carried out in the management of market risk exposure, in accordance with best market practices and criteria classification of operations and capital management of the Central Bank of Brazil. The trading book consists of all transactions with financial instruments and commodities, including derivatives, held for trading purposes. The banking portfolio consists of In structural operations arising from Banco Santander's various business lines and any hedges. Therefore, according to the nature of Banco Santander's activities, the sensitivity analysis was divided between the trading portfolios and banking.

Banco Santander performs the sensitivity analysis of financial instruments in accordance with CVM Instruction No. 475/2008, considering market information and scenarios that would negatively affect the Bank's positions.

The summary tables presented below summarize sensitivity values generated by the Bank's corporate systems Santander, referring to the trading portfolio and the banking portfolio, for each of the portfolio scenarios on June 30, 2023.

Trading Portfolio		Consolidated		
Risk Factor	Description	Scenario 1	Scenario 2	Scenario 3
Interest Rate - Real	Exposures subject to Changes in Interest Fixed Rate	(4,451)	(123,313)	(246,625)
	Exposures subject to Changes in Coupon Rate of Interest			
Coupon Interest Rate	Rate	(109)	(1,484)	(2,968)
Coupon - US Dollar	Exposures subject to Changes in Coupon US Dollar Rate	(15,148)	(125,039)	(250,079)
	Exposures subject to Changes in Coupon Foreign			
Coupon - Other Currencies	Currency Rate	(8,271)	(96,106)	(192,211)
Foreign Currency	Exposures subject to Foreign Exchange	(419)	(5,083)	(10,167)
	Exposures subject to Interest Rate Variation on Papers			
Eurobond/Treasury/Global	Traded on the International Market	(858)	(21,443)	(42,885)
	Exposures subject to Change in Coupon Rates of Price			
Inflation	Indexes	(3,931)	(45,890)	(91,779)
Shares and Indexes	Exposures subject to Change in Shares Price	(1,454)	(36,348)	(72,696)
Commodities	Exposures subject to Change in Commodity Price	(13)	(315)	(629)
Total (1)		(34,652)	(455,020)	(910,040)

(1) Amounts net of tax effects.

Scenario 1: shock of +10 bps and -10 bps in the interest curves and 1% for price changes (currencies and shares), considering the largest losses by risk factor.

Scenario 2: shock of + 25% and -25% in all risk factors, considering the largest losses by risk factor.

Scenario 3: shock of + 50% and -50% in all risk factors, considering the largest losses by risk factor.

Banking Portfolio		Consolidated		
Risk Factor	Description	Scenario 1	Scenario 2	Scenario 3
Interest Rate - Real	Exposures subject to Changes in Interest Fixed Rate	(47,454)	(1,697,391)	(3,880,403)
TR and Long-Term Interest Rate - (TJLP)	Exposures subject to Change in Exchange TR and TJLP	(26,246)	(568,147)	(999,528)
	Exposures subject to Change in Coupon Rates of Price			
Inflation	Indexes	(36,844)	(544,177)	(1,001,766)
Coupon - US Dollar	Exposures subject to Changes in Coupon US Dollar Rate	(10,178)	(113,205)	(218,708)
	Exposures subject to Changes in Coupon Foreign			
Coupon - Other Currencies	Currency Rate	(1,328)	(19,892)	(39,938)
	Exposures subject to Changes in Interest Rate Negotiated			
Interest Rate Markets International	Roles in International Market	(30,613)	(380,592)	(783,823)
Foreign Currency	Exposures subject to Foreign Exchange	(298)	(7,444)	(14,888)
Total (1)		(152,960)	(3,330,848)	(6,939,053)

(1) Values calculated based on the consolidated information of the institutions.

*Values in thousands, except when indicated.

Scenario 1: shock of +10 bps and -10 bps in the interest curves and 1% for price changes (currencies and shares), considering the largest losses by risk factor.

Scenario 2: shock of +25% and -25% in all risk factors, considering the largest losses by risk factor.

Scenario 3: shock of + 50% and -50% in all risk factors, considering the largest losses by risk factor.

c) Off-balance funds under management

The Santander Conglomerate has funds under management, in which it does not have a significant stake, does not act as a "principal" and does not hold shares of these Funds. Based on the contractual relationship that governs the management of such funds, the third parties that hold the equity interest are those who are exposed, or have rights, to variable returns and have the ability to affect those returns through the power decisive. In addition, the Bank, as fund manager, analyzes the remuneration system, which is proportional to the service provided and therefore acts as "main".

Funds managed by the Santander Conglomerate not recorded on the balance sheet are the following:

	06/30/2023	12/31/2022
Funds under management	12,088,729	18,934,221
Managed funds	270,768,586	275,279,164
Total	282,857,315	294,213,385

d) Third-party securities held in custody

On June 30, 2023 and December 31, 2022, the Bank held debt securities and third-party securities in custody, totaling R\$47.363.265 and R\$48.918.436, respectively.

19. Subsequent Events

a) Distribution of Interest on Equity

The Board of Directors of Banco Santander, at a meeting held on July 13, 2023, presented to the Directors the proposal of the Company's Executive Board, ad referendum of the Ordinary General Meetings to be held until April 30, 2024, respectively, for the declaration and payment of Interest on Equity, pursuant to articles 17, item XVIII and 37, paragraph 2 of the Company's Bylaws based on the result of the quarter ended in June 30, 2023, in the gross amount of BRL 1,500,000,000.00 (one billion, five hundred million reais). Interest on Equity will be fully allocated to the mandatory dividends to be distributed by the Company for the year 2023.

b) Joint venture between, on the one hand, Banco Santander (Brasil) S.A. and, on the other side, Sodexo Pass International and Sodexo Pass do Brasil Serviços de Inovação Ltda.

On July 24, 2023, Banco Santander, together with Sodexo Pass International ("SPI") and Sodexo Pass do Brasil Serviços de Inovação Ltda. ("SPDBI" and, together with SPI, "Grupo Sodexo"), a certain joint venture agreement for exploring the business of marketing and selling incentive payment products and benefits exclusively from the Sodexo Group, in Brazil, through the distribution channel of Banco Santander ("Joint Venture"). The Joint Venture will be effected through the contribution (i) of Ben Benefícios e Serviços Instituição de Pagamento S.A. ("Ben"), its subsidiary that operates in the benefits segment, and (ii) exclusivity for 25 years of rights to use Banco Santander's distribution channel by Sodexo Pass do Brasil Serviços e Comércio S.A. ("Sodexo Brasil"), currently wholly owned by the Sodexo Group.

The execution of the operation will be subject to compliance with certain suspensive conditions usual for transactions of this nature, including obtaining relevant regulatory authorizations, such as CADE and the Central Bank of Brazil

*Values in thousands, except when indicated.

APPENDIX I – Condensed Consolidated Statement of Added Value

	01/01 to 06/30/2023		01/01 to 06/30/2022	
Interest and similar income	63,003,357		54,273,861	
Fee and commission income (net)	7,783,403		7,419,422	
Impairment losses on financial assets (net)	(14,108,478)		(11,364,934)	
Other income and expense	2,251,201		342,210	
Interest expense and similar charges	(40,607,149)		(29,323,041)	
Third-party input	(4,105,667)		(3,861,105)	
Materials, energy and other	(438,325)		(477,179)	
Third-party services	(3,036,716)		(3,142,242)	
Impairment of assets	(67,356)		(56,459)	
Other	(563,270)		(185,225)	
Gross added value	14,216,667		17,486,433	
Retention				
Depreciation and amortization	(1,374,436)		(1,256,946)	
Added value produced	12,842,231		(16,229,487)	
Investments in affiliates and subsidiaries	105,893		65,859	
Added value to distribute	12,948,124		16,295,346	
Added value distribution				
Employee	4,715,848	36.4%	4,247,041	26.1%
Compensation	3,224,411		3,052,215	
Benefits	924,740		853,595	
FGTS	266,639		247,448	
Other	300,058		93,782	
Taxes, fees and contributions	3,472,721	26.8%	4,041,338	24.8%
Federal	3,469,306		3,579,775	
State	-		427	
Municipal	3,415		461,136	
Compensation of third-party capital - rental	107,191	0.8%	5	0.0%
Remuneration of interest on capital	4,652,364	35.9%	8,006,962	49.1%
Dividends and interest on capital	3,200,000		4,700,000	
Profit Reinvestment	1,432,622		3,243,497	
Profit (loss) attributable to non-controlling interests	19,742		63,465	
Total	12,948,124	100.0%	16,295,346	100.0%

*Valores expressos em milhares, exceto quando indicado.

Management report

Dear Stockholders:

We present the Performance Commentary to the Condensed Individual and Consolidated Financial Statements of Banco Santander (Brasil) S.A. (Banco Santander or Banco) for the period ended June 30, 2023, prepared in accordance with the International Financial Reporting Standards (IFRS) standards issued by the Accountant Standards Board (IASB), and the interpretations issued by the IFRS Interpretations Committee (name of the International Financial Reporting Interpretations Committee – IFRIC).

1. Macroeconomic Environment

At the end of the second quarter of 2023, Banco Santander observed that the median projections of intellectual agents regarding the performance of the Brazilian economy indicate a growth of 2.1% in the Brazilian GDP in 2023 compared to the expansion of 2.9% in the previous year. The projection for 2023 is higher than that observed at the end of the first quarter of 2023 (0.9%) and, in the Bank's assessment, the upward revision was caused by the positive surprise recorded in 1Q23 caused by the strong performance of the agricultural sector. However, despite the positive surprise at the beginning of the year, the dynamics of the activities most occurring to the economic cycle led to the perception that the economy is in a deceleration pace in the wake of the contractionary effects arising from the interest rate tax cycle that started in 2021 and ended in August 2022. As at the beginning of 2023, we decided to revise our projection of expansion of the Brazilian GDP from 0.8% to 1.9% in 2023.

In the second quarter of 2023, the Bank witnessed the interannual variation of the IPCA retreat to 3.0% compared to the 4.7% level observed at the end of March 2023. This movement was caused largely because of the effects of temporary tax cuts introduced in the second half of last year. However, this tax reduction will cease to apply as of 3Q23 and, in the Bank's view, should result in an increase in interannual inflation to levels above both the target and the ceiling of the tolerance interval stipulated in the monetary regime. Thus, the Bank understands that this inflationary environment and the balance of risks were the reasons why the Central Bank of Brazil justified maintaining the basic rate at 13.75% p.a. between the end of the first quarter of 2023. Santander believes that this approach to the Selic rate increases the chance that inflation will converge to the targets established within the relevant time horizon for monetary policy, especially after the approval of the new fiscal framework, with the government signaling that it will increase the amount of public spending starting this year, which could make the disinflation process slower. In this sense, the Bank projects that the Selic rate will reach 12.50% p.a. at the end of 2023 and 11.0% p.a. at the end of 2024.

With regard to the behavior of the exchange rate, Banco Santander saw the quotation of the Brazilian currency against the US dollar fluctuate between R\$4.76/US\$ and R\$5.08/US\$ in the second quarter and ended the period quoted at R\$4.80/US\$. That is, a level lower than the quotation of R\$5.06/US\$ verified at the end of 1Q23. In the bank's view, the appreciation of the real resulted from the approval of the new fiscal framework that reduced uncertainties regarding the path of the public debt in the short term. However, the volatility demonstrated by the trajectory of the real is in line with our forecast that the exchange rate will have limited space to record significant appreciation in the coming years. In fact, we project that the exchange rate will reach R\$5.40/US\$ by the end of 2023 and R\$5.50/US\$ by the end of 2025.

The performances mentioned above took place in the midst of an international environment that the Bank judged unfavorable and which highlighted the following themes: 1) maintenance of inflationary pressures around the globe; 2) signs of a more extensive adjustment in US monetary policy, despite the pause at the FOMC meeting in June 2023; 3) intensification of the pace of normalization of monetary policy in the Euro Area, followed by declarations of continuity in the cycle of monetary tightening in the region and; 4) frustration with the pace of recovery of the Chinese economy. In the domestic environment, Santander understands that the main issues were the following: 1) approval of the Proposal for a Constitutional Amendment that changes taxation on consumption by the Chamber of Deputies; 2) positive surprise with economic growth in 1Q23 due to significant growth in the agricultural sector and; 3) maintenance of targets and tolerance bands for the inflationary regime for the coming years, reinforcing the possibility of interest rate cuts throughout 3Q23.

2. Performance

2.1) Corporate Net Income

Consolidated Income Statements (R\$ Millions)	1Q23	1Q22	annual changes%	2Q22	1Q22	quarter changes %
Interest Net Income	22,396.2	24,950.8	(10.2)	9,837.2	12,559.0	(21.7)
Income from equity instruments	28.6	20.0	42.7	24.3	4.3	464.0
Income from companies accounted for by the equity method	105.9	65.9	60.8	48.2	57.7	(16.5)
Fees and Comission (net)	7,783.4	7,419.4	4.9	3,787.0	3,996.4	(5.2)
Gains (losses) on financial assets and liabilities (net) + Exchange differences (net)	2,144.8	1,169.0	83.5	1,306.6	838.2	55.9
Other operating expense (net)	(385.2)	(25.3)	1,420.1	(155.3)	(229.9)	(32.5)
Total Income	32,073.7	33,599.8	(4.5)	14,848.0	17,225.7	(13.8)

Independent Auditors' Report	Financial Statements	Explanatory Notes	Management Report	Composition of Management		
<i>*Valores expressos em milhares, exceto quando indicado.</i>						
Administrative expenses	(9,526.6)	(8,745.8)	8.9	(4,759.5)	(4,767.1)	(0.2)
Depreciation and amortization	(1,374.4)	(1,256.9)	9.3	(686.0)	(688.4)	(0.3)
Provisions (net)	(2,160.8)	(895.9)	141.2	(1,124.8)	(1,036.0)	8.6
Impairment losses on financial assets and other assets (net)	(14,175.8)	(11,421.4)	24.1	(6,092.1)	(8,083.7)	(24.6)
Gains (losses) on disposal of assets not classified as non-current assets held for sale	970.9	8.8	10,987.9	917.3	53.6	1,611.3
Gains (losses) on non-current assets held for sale not classified as discontinued operations	(2.2)	72.9	(103.0)	(20.5)	18.3	(211.9)
Operating Profit Before Tax	5,804.7	11,361.5	(48.9)	3,082.3	2,722.4	13.2
Income taxes	(1,152.3)	(3,354.6)	(65.6)	(1,477.4)	325.1	(554.4)
Consolidated Net Income	4,652.4	8,007.0	(41.9)	1,604.9	3,047.5	(47.3)

The annualized return for the year based on the accounting result for the period on average equity reached 8.41% in the second quarter of 2023, down 6.49% p.p. compared to the second quarter of 2022.

2.2) Assets and Liabilities

Consolidated Balance Sheet (R\$ Million)	Jun/23	Dec/22	annual changes %
Cash and Balances with the Brazilian Central Bank	20,697.1	22,003.4	(5.9)
Financial Assets Measured At Fair Value Through Profit Or Loss	175,469.1	145,515.3	20.6
Financial Assets Measured At Fair Value Through Other Comprehensive Income	52,520.0	55,425.7	(5.2)
Financial Assets Measured At Amortized Cost	712,139.7	663,824.4	7.3
Hedging Derivatives	122.0	1,741.3	(93.0)
Non-Current Assets Held For Sale	759.4	699.1	8.6
Investments in Associates and Joint Ventures	1,556.6	1,727.6	(9.9)
Tax Assets	49,165.4	46,446.0	5.9
Other Assets	6,220.0	8,274.5	(24.8)
Tangible Asset	7,669.8	8,190.8	(6.4)
Intangible Asset	31,885.5	31,602.7	0.9
TOTAL ASSETS	1,058,204.5	985,450.8	7.4
Financial Liabilities Measured At Fair Value Through Profit Or Loss Held For Trading	62,143.0	49,668.3	25.1
Financial Liabilities at Amortized Cost	851,866.0	795,284.1	7.1
Hedge Derivatives	1,620.0	0.0	100.0
Provisions	10,649.4	9,115.1	16.8
Tax Liabilities	7,323.1	7,810.8	(6.2)
Other Liabilities	11,505.4	12,892.3	(10.8)
TOTAL LIABILITIES	945,106.8	874,770.6	8.0
Shareholders' Equity Attributable to the Controller	112,588.7	110,182.8	2.2
Non-controlling interests	509.0	497.3	2.4
Total Equity	113,097.8	110,680.2	2.2
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	1,058,204.5	985,450.9	7.4

2.3) Stockholders' Equity

As of June 30, 2023, Banco Santander's consolidated shareholders' equity increased by 2.2% compared to December 31, 2022.

The variation in Shareholders' Equity between June 30, 2023 and December 31, 2022 was mainly due to the negative equity valuation adjustment in employee benefit plans in the amount of R\$414 million and net of tax effects on net income for the period in the amount of R\$4,633 million and the positive equity valuation of financial assets measured at fair value through Cash Flow and Investment Gains and Losses in the amount of R\$443 million and financial assets measured at fair value through other comprehensive income of R\$525 million.

For additional information, see explanatory note to financial statements No. 11.

2.4) Basel Index

Bacen determines that financial institutions maintain a Reference Equity (PR), PR Tier I and Core Capital compatible with the risks of their activities, higher than the minimum requirement of the Required Reference Equity, represented by the sum of the credit risk, market risk and operational risk.

As established in CMN Resolution No. 4,958/2021, the PR requirement is at 11.50%, including 8.00% of Minimum Referential Equity, plus 2.50% of Capital Conservation Additional and 1.00% of Systemic Additional. The Tier I PR is 9.50% and the Minimum Principal Capital is 8.00%.

According to the rules established by CMN Resolution No. 4,955/2021, the determination of capital ratios is calculated on a consolidated basis based on information from the Prudential Conglomerate, whose definition is established by CMN Resolution No. 4,950/2021, as shown below:

*Valores expressos em milhares, exceto quando indicado.

Basel Index%	Jun/23	Dec/22
Reference Equity Level I	78,891.45	75,943.7
Principal Capital	72,686.49	69,229.0
Supplementary Capital	6,204.96	6,714.7
Reference Equity Level II	13,078.35	13,109.8
Regulatory Capital (Tier I and II)	91,969.80	89,053.5
Credit Risk	591,586.43	559,230.6
Market Risk	34,693.78	19,332.1
Operational Risk	56,759.72	60,073.2
Total RWA	683,039.93	638,635.9
Basel Level I Ratio	11.55	11.89
Basel Principal Capital	10.64	10.84
Basel Regulatory Capital	13.46	13.94

2.5) Main Subsidiaries

The table below shows the balances of total assets, shareholders' equity, net income and loan portfolio prepared in accordance with accounting practices adopted in Brazil applicable to entities authorized to operate by Bacen, for the period ended June 30, 2023, of Banco Santander's main subsidiaries:

Subsidiaries (R\$ Millions)	Total Assets	Stockholders' Equity	Net Income	Loan Portfolio	Ownership/Interest (%)
Aymoré Crédito, Financiamento e Investimento S.A.	58,254.6	40,457.2	1,121.6	54,549.1	100.00%
Santander Leasing S.A. Arrendamento Mercantil	15,513.4	10,758.5	354.5	2,960.8	100.00%
Santander Corretora de Seguros, Investimento e Serviços S.A.	18,653.3	5,999.2	1,478.8	-	100.00%
Atual Serviços de Recuperação de Créditos e Meios Digitais S.A.	3,826.3	1,332.4	406.9	-	100.00%
Santander Corretora de Câmbio e Valores Mobiliários S.A.	7,217.0	6,488.4	461.1	-	100.00%

The financial statements of the Subsidiaries above were prepared in accordance with the accounting practices adopted in Brazil, established by the Brazilian Corporate Law, in conjunction with the CMN, Bacen rules and model of the document provided for in the Accounting Plan of Cosif Institutions, of CVM, in which they do not conflict with the rules issued by Bacen, without the elimination of transactions with related companies.

3. Corporate Restructuring

During the period ended June 30, 2023 and the year ended December 31, 2022, several corporate movements were implemented in order to reorganize the operations and activities of entities in accordance with Banco Santander's business plan.

For additional information, see explanatory note to financial statements No. 2.

4. Strategy and Rating Agencies

For information regarding the Bank's strategy and rating at rating agencies, see the Results Report available at www.santander.com.br/ri.

5. Corporate Governance

Banco Santander Brasil's governance structure is made up of the Executive Board and its Executive Committee, made up of the Chief Executive Officers, Senior Executive Vice-Presidents and Executive Vice-Presidents, and the Board of Directors and its Advisory Committees, namely: Audit, Risks and Compliance, Sustainability, Compensation and Nomination and Governance.

For more information on the corporate governance practices adopted by Banco Santander Brasil and resolutions of the Board of Directors, see the electronic address www.santander.com.br/ri.

6. Risk Management

On February 23, 2017, Bacen published CMN Resolution No. 4,557, which provides for the risk and capital management structure (GIRC) coming into force in the same year. The resolution highlights the need to implement an integrated risk and capital management structure, definition of an integrated stress test program and Risk Appetite Statement (RAS - Risk Appetite Statement), creation of a Risk Committee, definition of a disclosure policy of published information, appointment of director for risk management, director of capital and director responsible for the information disclosure policy.

Banco Santander takes the necessary actions on a continuous and progressive basis, with a view to complying with the resolution. No relevant impacts arising from this standard were identified.

*Valores expressos em milhares, exceto quando indicado.

For more information, see explanatory note nº 18 of this publication.

Capital Management

Banco Santander's capital management structure relies on robust governance, which supports the processes related to this topic and establishes the attributions of each of the teams involved. In addition, there is a clear definition of the guidelines that must be adopted for effective capital management. Further details can be found in the Capital and Risk Management Structure, available on the Investor Relations website.

Internal Audit

Internal Audit reports directly to the Board of Directors, with the Audit Committee responsible for its supervision.

Internal Audit is a permanent function, independent from any other function or unit, whose mission is to provide the Board of Directors and senior management with independent assurance on the quality and effectiveness of internal control, risk management processes and systems (currently or emerging) and government, thus helping to protect the organization's value, solvency and reputation. Internal Audit has a quality certificate issued by the Institute of Internal Auditors (IIA).

In order to fulfill its functions and cover risks inherent to Banco Santander's activity, the Internal Audit has a set of tools developed internally and which are updated when necessary. Among them, the risk matrix stands out, used as a planning tool, prioritizing the risk level of the auditable universe considering, among others, its inherent risks, the last audit rating, the degree of compliance with the recommendations and their dimension. The work programs, which describe the audit tests to be carried out, are reviewed periodically.

The Audit Committee and the Board of Directors favorably analyzed and approved the Internal Audit work plan for the year 2023.

7. People

In our company we continue to take care of our people. After all, they are the ones who think, design, develop, interact and build what we want to be. This is why we invest in each of our 55,171 employees here in Brazil.

For the development of our people, the Corporate University – Academia Santander, works for a strong, cross-cutting culture, enabling everyone, online and in person, to improve what they already know and explore new possibilities. From mandatory certifications for certain functions to Digital Leadership courses, the most important thing is to leave your comfort zone and invest in yourself by expanding your knowledge and repertoire.

Our company supports leaders and managers so that they are close and available. This action is based on three pillars: Feedback, Open Chat and Personalized Recognition, ensuring that everyone is in control through recurrent and frank conversations, career guidance and special moments to reward the teams' growth.

In January, we held another edition of Santander Star, a non-financial recognition program that rewards our employees' transformative projects in the Customer Service, Result, Innovation, Risk Pro and Best Store categories.

Santander values a diverse environment, where every competence and every difference is valued. An example is the Affinity Group, created to promote diversity and inclusion based on the 5 pillars: Female Leadership; Racial Equity; Disabled people; Diversity of Backgrounds, Experiences and Generations and the LGBTQIA+ pillar. Another good example is the Talent Show. In it, Santander opens space to learn about the most different activities and explore the universe of skills that exist in the Bank, allowing interaction and fraternization between colleagues. In March, we held the Live Women's Day - #CompetênciaNoTemGênero with the participation of our Advisors and the Vice Presidents of Retail and People. It was an inspiring chat about the challenges and lessons learned in their careers.

In the sphere of Customers, we remain focused on offering the best products and services, in a Simple, Personal and Fair way. On Consumer Day (03/15), we held our first Customer Workshop for Santander Brazil entire leadership. At this meeting, we reinforce our commitment that the customer is always at the center.

8. Sustainable Development

Our purpose is to contribute to the progress of people and businesses. At the same time, we want to support the construction of a fairer and more sustainable Brazil. We have a clear strategy for our environmental aspirations (to be a reference in sustainable business), social aspirations (working so that everyone has opportunities) and governance aspirations (having the best ESG management practices).

*Valores expressos em milhares, exceto quando indicado.

Environmental

In this second quarter, we made R\$8,4 Bi possible in sustainable businesses, including green bonds, Project Finance and products aimed at agribusiness and microcredit, for example, in a sectorial movement, we supported FEBRABAN – the Brazilian Federation of Banks – in the creation of a self-regulation standard for the beef chain. The regulation establishes a common protocol for managing the risk of illegal deforestation in the Amazon and Maranhão in credit operations with slaughterhouses. This practice is already part of the engagement activities to comply with the Amazon Plan agenda (defined jointly with Bradesco and Itaú) which has, among other goals, zero illegal deforestation with customers in the meat chain by 2025.

In June, we joined the Alliance for Sustainable Mobility, an initiative by company 99, in partnership with big names in the mobility market in Brazil, with the aim of transforming urban mobility, putting more electric and hybrid vehicles on the streets. The initiative ranges from the discussion of ways to boost all the infrastructure necessary for the electrification of the Brazilian fleet to the creation of public charging stations and the reduction of barriers to the acquisition of electric cars.

Social

In May, we promoted our warm clothing campaign and, with the help of more than 1,100 employees, we collected more than 4,100 clothes and warm clothes and around 2,000 blankets. These items will benefit more than 3,700 people served by nine organizations across the country.

Governance

The participation of women and independent members on the Board of Directors remained at 36% and 55%, respectively.

We publish our 2022 Integrated Annual Report, in which we show our main deliveries of the year in the ESG aspects with more connections with the business results.

9. Russia vs Ukraine Conflict

The recent conflict between Russia and Ukraine has caused the US government, the European Union, the UK and other governments to impose economic sanctions and export controls against Russia in addition to threats of additional sanctions and controls. These measures have impacted energy, oil and other commodity prices and, consequently, caused instability and volatility in economies and markets in general. These conditions can affect global credit and capital markets.

The Management of Banco Santander Brasil has been following and monitoring the situation and, to date, no relevant direct or indirect impacts have been identified for the current scenario.

10. Independent Audit

Banco Santander's operating policy, including its subsidiaries, in contracting services not related to the audit of the Financial Statements by its independent auditors, is based on Brazilian and international auditing standards, which preserve the auditor's independence. This rationale provides for the following: (i) the auditor must not audit his own work, (ii) the auditor must not exercise managerial functions at his client, (iii) the auditor must not promote the interests of his client, and (iv) the need for approval of any services by the Bank's Audit Committee.

In compliance with CVM Instruction 162/2022, Banco Santander informs that in the period ended June 30, 2023, PricewaterhouseCoopers did not provide services unrelated to the independent audit of the Financial Statements of Banco Santander and its subsidiaries.

Furthermore, the Bank confirms that PricewaterhouseCoopers has procedures, policies and controls in place to ensure its independence, which include an assessment of the work performed, covering any service other than an independent audit of the Financial Statements of Banco Santander and its subsidiaries. Said assessment is based on the applicable regulations and accepted principles that preserve the auditor's independence. The acceptance and provision of professional services not related to the audit of the Financial Statements by its independent auditors during the period ended June 30, 2023, did not affect the independence and objectivity in conducting the external audit examinations carried out at Banco Santander and other entities of the Group, since the principles indicated above were observed.

The Board of Directors

The Executive Board

(Authorized at the Board of Directors' Meeting of 07/25/2023).

*Values expressed in thousands, except when indicated.

Composition of Management Bodies

Administrative Council

Deborah Stern Vieitas – President (independent)
Jose Antonio Alvarez Alvarez – Vice President
Angel Santodomingo Martell – Director
Deborah Patricia Wright - Advisor (independent)
Ede Ilson Viani - Counselor
José de Paiva Ferreira – Director
José Garcia Cantera – Board Member
Marília Artimonte Rocca - Director (independent)
Mario Roberto Opice Leão – Director
Pedro Augusto de Melo - Director (independent)

Audit Committee

Pedro Augusto de Melo – Coordinator (*)
Maria Elena Cardoso Figueira – Qualified Technical Member
Andrea Maria Ramos Leonel – Member (*)
René Luiz Grande – Member
Vania Maria da Costa Borgerth – Member

Risk and Compliance Committee

José de Paiva Ferreira – Coordinator
Jaime Leôncio Singer – Member

Sustainability Committee

Marília Artimonte Rocca – Coordinator
Andrea Marques de Almeida – Member
Álvaro Antônio Cardoso de Souza – Member
Carlos Aguiar Neto – Member
Luiz Masagão Ribeiro Filho – Member
Tasso Rezende de Azevedo – Member

Nominating and Governance Committee

Deborah Stern Vieitas - Coordinator
Deborah Patricia Wright – Member
José Antonio Alvarez Alvarez – Member

Compensation Committee

Deborah Patricia Wright – Coordinator
Deborah Stern Vieitas - Member
Luiz Fernando Sanzogo Giogi – Member

(*) Possession pending approval by the Central Bank

*Values expressed in thousands, except when indicated.

Executive Board

Chief Executive Officer

Mario Roberto Opice Leão

Vice-President Executive Officer and Investor Relations Officer

Gustavo Alejo Viviani

Vice-President Executive Officers

Alessandro Tomao

Andrea Marques de Almeida

Antonio Pardo de Santayana Montes

Carlos José da Costa André

Ede Ilson Viani

Elita Vechin Pastorelo Ariaz

Jean Pierre Dupui

Gilberto Duarte de Abreu Filho

Maria Teresa Mauricio da Rocha Pereira Leite

Renato Ejnisman

Vanessa de Souza Lobato Barbosa

Officers without specific designation

Adriana Marques Lourenço de Almeida

Alexandre Guimarães Soares

Ana Paula Vitali Janes Vescovi

Ana Paula Neves Granieri Domenici

André Juaçaba de Almeida

Carlos Aguiar Neto

Celso Mateus de Queiroz

Claudenice Lopes Duarte

Daniel Mendonça Pareto

Francisco Soares da Silva Junior

Franco Luigi Fasoli

Flávia Davoli

Geraldo José Rodrigues Alckmin Neto

Germanuela de Almeida de Abreu

Gustavo de Souza Fosse

Igor Mario Puga

Jean Paulo Kambourakis

Luciana de Aguiar Barros

Luis Guilherme Mattoso de Oliem Bittencourt

Luiz Masagão Ribeiro Filho

Marilize Ferrazza Santinoni

Murilo Setti Riedel

Paulo César Ferreira de Lima Alves

Paulo Sérgio Duailibi

Paulo Fernando Alves Lima

Ramon Sanchez Santiago

Reginaldo Antonio Ribeiro

Ricardo Olivare de Magalhães

Richard Flavio Da Silva

Roberto Alexandre Borges Fischetti

Robson de Souza Rezende

Rogério Magno Panca

Sandro Kohler Marcondes

Sandro Mazerino Sobral

Sandro Rogério da Silva Gamba

Thomaz Antonio Licario Rocha

Tiago Celso Abate

Vanessa Alessi Manzi

Vítor Ohtsuki

Accountant

Samantha Paludetto Flores Melgas – CRC N° SP – 333402/O-3

*Values expressed in thousands, except when indicated.

Declaration of directors on the financial statements

In order to comply with the provisions of article 27, paragraph 1, item VI, of Instruction of the Securities Commission (CVM) 80, of March 29, 2022, the members of the Executive Board of Banco Santander (Brasil) S.A. (Banco Santander) declare that they discussed, reviewed and agreed with the Financial Statements prepared by the BRGAAP criteria of Banco Santander, related to the semester ended June 30, 2023, and the documents that compose them, being: Management Report, balance sheets, statement results, statements of comprehensive income, statement of changes in equity, statement of cash flows, statement of added value and explanatory notes, which were prepared in accordance with accounting practices adopted in Brazil, pursuant to Law No. 6,404, of December 14, 1976 (Brazilian Corporate Law), the rules of the National Monetary Council, of the Central Bank of Brazil in accordance with the model of the Accounting Plan for Institutions of the National Financial System (COSIF) and other applicable regulations and laws. Said Financial Statements and the documents that compose them, were subject to an unqualified report by the Independent Auditors and a recommendation for approval issued by the Bank's Audit Committee to the Board of Directors

Members of the Executive Board of Banco Santander on June 30, 2023:

Executive Board

Chief Executive Officer

Mario Roberto Opice Leão

Vice-President Executive Officer and Investor Relations Officer

Gustavo Alejo Viviani

Vice-President Executive Officers

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Sandro Mazerino Sobral

Sandro Rogério da Silva Gamba

Thomaz Antonio Licario Rocha

Tiago Celso Abate

Vanessa Alessi Manzi

Vitor Ohtsuki

*Values expressed in thousands, except when indicated.

Statement by the Directors on the Independent Auditors' Report

In order to comply with the provisions of article 27, paragraph 1, item VI, of Instruction of the Securities Commission (CVM) 80, of March 29, 2022, the members of the Executive Board of Banco Santander (Brasil) S.A. (Banco Santander) declare that they discussed, reviewed and agreed with the Financial Statements of Banco Santander, related to the first semester ended on June 30, 2023, prepared in accordance with the criteria IFRS (International Financial Reporting Standards) and the documents that compose them, of which: Comment on Performance, consolidated balance sheet, consolidated statement of income, consolidated statement of comprehensive income, statement of changes in equity, statement of cash flows, statement of added value and explanatory notes, which were prepared in accordance with the accounting standards adopted in Brazil, pursuant to Law No. 6,404, of December 14, 1976 (Brazilian Corporate Law), the international financial reporting standards issued by the International Accounting Standards Board (IASB). Said Financial Statements and the documents that compose them, were subject to an unqualified report by the Independent Auditors and a recommendation for approval issued by the Bank's Audit Committee to the Board of Directors

Members of the Executive Board of Banco Santander on June 30, 2023:

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