

Banco Santander, S.A.
Hong Kong Branch

(A public limited liability company incorporated in Spain)

Financial Disclosure Statement

For the six months ended 30 June 2025

**BANCO SANTANDER, S.A.
HONG KONG BRANCH**

(A public limited liability company incorporated in Spain)

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General Information

Banco Santander, S.A. Hong Kong Branch operates Corporate and Investment Banking business in Hong Kong across three major lines of products: Global Markets, Global Transaction Banking and Global Debt Financing.

Unaudited Income Statement

		For the six months ended	
	Note	30 Jun 2025	30 Jun 2024
		HK\$'000	HK\$'000
Interest income		2,141,641	1,924,391
Interest expense		(2,190,024)	(1,957,383)
Other operating income			
- Gains less losses arising from trading in foreign currencies		368,154	305,866
- Gains less losses arising from securities held for trading purposes		1,120	615
- Gains less losses from other trading activities		21,610	(713)
- Net fees and commission income	1	180,746	72,275
- Others		212,682	181,801
Total operating income		735,929	526,852
Operating expenses			
- Staff expenses		(297,717)	(255,258)
- Rental expenses		(18,840)	(17,149)
- Other expenses		(171,751)	(159,867)
Total operating expenses		(488,308)	(432,274)
Operating profit		247,621	94,578
Change of impairment allowance for loans and receivables		(202)	10,679
Gain from disposal of property, plant and equipment		6	-
Profit before taxation		247,425	105,257
Tax expense		(54,534)	(25,465)
Profit after taxation		192,891	79,792

Unaudited Balance Sheet

	Note	30 Jun 2025 HK\$'000	31 Dec 2024 HK\$'000
ASSETS			
Cash and balances with banks (except those included in amount due from overseas offices)		2,213,125	1,859,218
Due from Exchange Fund		1,589,060	519,022
Placement with banks which have a residual contractual maturity of more than one month but not more than 12 months (except those included in amount due from overseas offices)		1,161,260	966,361
Amount due from overseas offices		86,679,393	62,157,474
Trade bills		552,313	977,026
Securities held for trading purposes		11,761,873	5,970,958
Loans and receivables	2	13,031,108	18,637,291
Property, plant and equipment		27,179	40,785
Investment securities		6,299,240	9,649,888
Other accounts	3	47,347,088	51,271,803
TOTAL ASSETS		170,661,639	152,049,826
LIABILITIES			
Deposits and balances from banks (except those included in amount due to overseas offices)		16,767,632	5,348,243
Due to Exchange Fund		4,827,719	3,261,867
Deposits from customers			
- demand deposits and current accounts		46,083	39,532
- savings deposits		4,721,633	5,487,101
- time, call and notice deposits		29,511,524	19,453,898
Amount due to overseas offices		56,549,699	52,972,973
Certificates of deposit issued		10,091,969	10,719,393
Accrued interest, other liabilities and provisions		48,145,380	54,766,819
TOTAL LIABILITIES		170,661,639	152,049,826

Unaudited Supplementary Information
1. Net fees and commission income

	For the six months ended	
	30 Jun 2025	30 Jun 2024
	HK\$'000	HK\$'000
Gross fees and commission income	280,475	137,654
Gross fees and commission expenses	(99,729)	(65,379)
Net fees and commission income	180,746	72,275

2. Loans and receivables

	30 Jun 2025	31 Dec 2024
	HK\$'000	HK\$'000
Loans and advances to customers (note 9)	12,962,617	18,569,347
Impairment allowances		
- Stage 1	(3,635)	(3,414)
	12,958,982	18,565,933
Loans and advances to banks	72,126	71,358
	13,031,108	18,637,291

3. Other accounts

	30 Jun 2025	31 Dec 2024
	HK\$'000	HK\$'000
Accrued interest and other accounts		
- Accrued interest	876,865	600,316
- Amount receivable arising from derivative contracts	46,078,864	50,513,633
- Others	391,359	157,854
	47,347,088	51,271,803

4. Impaired loans and advances

There were no impaired loans and advances to customers or banks as at 30 June 2025 and 31 December 2024.

5. Derivative transactions

	30 Jun 2025	31 Dec 2024
	HK\$'000	HK\$'000
Nominal amounts		
- Exchange rate-related derivative contracts	627,765,335	673,951,332
- Interest rate derivative contracts	1,057,616,429	1,061,367,122

Unaudited Supplementary Information (Continued)
5. Derivative transactions (continued)

	30 Jun 2025 HK\$'000	31 Dec 2024 HK\$'000
Fair value assets		
- Exchange rate-related derivative contracts	9,890,015	10,636,804
- Interest rate derivative contracts	36,188,849	39,876,829
Fair value liabilities		
- Exchange rate-related derivative contracts	9,173,494	10,810,344
- Interest rate derivative contracts	35,629,377	39,225,493

The above derivative assets and liabilities, being the positive or negative marked-to-market value of the respective derivative contracts, represent gross replacement costs. They do not take into account the effects of bilateral netting arrangements.

6. Off-balance sheet exposures

	30 Jun 2025 HK\$'000	31 Dec 2024 HK\$'000
Contractual amounts		
- Direct credit substitutes	2,044,546	1,289,096
- Transaction-related contingencies	15,208,759	12,449,041
- Trade-related contingencies	4,055,893	6,161,957
- Other commitments	76,544,158	75,261,707
- Others (forward forward deposits placed)	7,425,071	2,261,966

Unaudited Supplementary Information (Continued)
7. International claims

International claims refer to exposures to counterparties on which the ultimate risk lies, and is derived according to the location of the counterparties after taking into account any recognized risk transfer. The basis of geographical segments and individual countries is in accordance with the definitions set out in the Banking (Disclosure) Rules and the “Return of International Banking Statistics” issued by the Hong Kong Monetary Authority (“HKMA”). Only countries constituting 10% or more of our total international claims are disclosed as follows:

HK\$ million	Banks	Official sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
As at 30 Jun 2025						
Developed countries	88,972	5,777	690	2,619	-	98,058
<i>Of which: Spain</i>	87,888	-	116	60	-	88,064
HK\$ million	Banks	Official sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
As at 31 Dec 2024						
Developed countries	64,226	1,123	261	2,283	-	67,893
<i>Of which: Spain</i>	62,818	-	80	24	-	62,922
Offshore centres	406	8,235	711	11,163	-	20,515
<i>Of which: Singapore</i>	4	8,235	40	1,463	-	9,742

Unaudited Supplementary Information (Continued)
8. Gross loans and advances to customers by geographical areas

The analysis of gross amount of loans and advances to customers by major countries or geographical segments is in accordance with the location of the counterparties, after taking into account any recognized risk transfer. In general, risk transfer applies when the loans and advances are guaranteed by a party in a country which is different from that of the customer. Major countries constituting 10% or more of the total gross amount of advances are disclosed as follows:

	30 Jun 2025	
	HK\$'000	% to total advances to customers
Gross amount of advances		
- Hong Kong	4,366,715	33.69%
- Cayman Island	2,444,459	18.86%
- Switzerland	1,323,850	10.21%
- Others	4,827,593	37.24%
	<u>12,962,617</u>	<u>100.00%</u>

Overdue or impaired loans

-

	31 Dec 2024	
	HK\$'000	% to total advances to customers
Gross amount of advances		
- Hong Kong	8,635,745	46.51%
- Cayman Island	2,029,447	10.93%
- South Korea	1,949,909	10.50%
- Others	5,954,246	32.06%
	<u>18,569,347</u>	<u>100.00%</u>

Overdue or impaired loans

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Unaudited Supplementary Information (Continued)
9. Sector information

Analysis of gross advances to customers and the percentage of secured advances classified into the following industry categories:

	30 Jun 2025		31 Dec 2024	
	HK\$'000	% of gross advances covered by collateral or other security	HK\$'000	% of gross advances covered by collateral or other security
Loans and advances for use in Hong Kong				
- Transport and transport equipment	-	-	217,859	-
- Manufacturing	383,689	-	403,443	-
- Others	-	-	537,043	91.25%
	<u>383,689</u>		<u>1,158,345</u>	
Trade Finance	5,555,888	0.98%	10,835,205	-
Loans and advances for use outside Hong Kong	7,023,040	-	6,575,797	0.29%
	<u>12,962,617</u>		<u>18,569,347</u>	
Gross loans and advances to customers (note 2)	<u>12,962,617</u>		<u>18,569,347</u>	

10. Overdue or rescheduled assets

As at 30 June 2025 and 31 December 2024, there were no loans and advances to customers or other assets which were overdue for more than three months, nor were there any rescheduled assets.

11. Repossessed assets

There were no repossessed assets held as at 30 June 2025 and 31 December 2024.

Unaudited Supplementary Information (Continued)
12. Non-bank Mainland exposures

The following Mainland exposures to non-bank counterparties are prepared in accordance with the completion instructions for the “Return of Mainland Activities” issued by the HKMA.

Types of Counterparties	On-balance sheet exposure HK\$ million	Off-balance sheet exposure HK\$ million	Total HK\$ million
As at 30 Jun 2025			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	3,339	6,601	9,940
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	20	20
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3,447	2,776	6,223
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	-	-
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	6,786	9,397	16,183
Total assets after provision	170,660		
On-balance sheet exposures as percentage of total assets	3.98%		

Unaudited Supplementary Information (Continued)
12. Non-bank Mainland exposures (continued)

Types of Counterparties	On-balance sheet exposure HK\$ million	Off-balance sheet exposure HK\$ million	Total HK\$ million
As at 31 Dec 2024			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	6,045	6,401	12,446
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	513	513
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3,057	2,000	5,057
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	-	-
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	9,102	8,914	18,016
Total assets after provision	152,049		
On-balance sheet exposures as percentage of total assets	5.99%		

Unaudited Supplementary Information (Continued)
13. Currency risk

The net positions or net structural positions in foreign currencies are disclosed when each currency constitutes 10% or more of the respective total net position or total net structural position in all foreign currencies.

HK\$ million	USD	CNY	Others	Total
As at 30 Jun 2025				
Spot assets	103,278	6,109	52,954	162,341
Spot liabilities	(108,573)	(6,240)	(41,807)	(156,620)
Forward purchases	293,963	164,977	110,582	569,522
Forward sales	(286,985)	(165,143)	(121,615)	(573,743)
Net option position	-	-	-	-
Net long/ (short) position	1,683	(297)	114	1500
Net structural position	2	-	-	2

HK\$ million	USD	CNY	EUR	SGD	Others	Total
As at 31 Dec 2024						
Spot assets	98,723	2,534	22,276	16,689	4,704	144,926
Spot liabilities	(111,393)	(7,563)	(7,686)	(10,698)	(2,841)	(140,181)
Forward purchases	326,254	214,271	39,785	13,590	35,326	629,226
Forward sales	(313,151)	(208,778)	(54,538)	(19,462)	(37,065)	(632,994)
Net option position	-	-	-	-	-	-
Net long/ (short) position	433	464	(163)	119	124	977
Net structural position	2	-	-	-	-	2

Delta equivalent approach method is used to calculate net options position of the Branch.

14. Liquidity information disclosures

	For the quarter ended	
	30 Jun 2025	30 Jun 2024
Average LMR for the financial period	43.58%	42.76%

The average liquidity maintenance ratio is the simple average of each month's average liquidity maintenance ratio for the reporting period. Liquidity maintenance ratio is calculated in accordance with the guidelines of the HKMA and the Banking (Liquidity) Rules.

The liquidity information disclosure is also available under section "Shareholders and Investors" on Banco Santander, S.A.'s website at www.santander.com.

Unaudited Supplementary Information (Continued)**15. Disclosure on remuneration**

Pursuant to section 3 of Supervisory Policy Manual (CG-5) Guideline on a Sound Remuneration System issued by the HKMA, Banco Santander, S.A. Hong Kong Branch complies with the requirements and has adopted the remuneration policy of Banco Santander, S.A. Head Office. Please refer to the 2024 Annual Report of Banco Santander, S.A. at <https://www.santander.com/en/shareholders-and-investors/financial-and-economic-information/annual-report> for details.

Should there be any discrepancy between the English and Chinese versions, the English version shall prevail.

Group Consolidated Financial Information
Capital and capital adequacy
Capital ratio (Basel III)

	30 Jun 2025	31 Dec 2024
CET1 capital ratio	13.0%	12.8%
Tier 1 capital ratio	14.5%	14.4%
Total capital ratio	17.2%	17.4%

EUR Million EUR Million

Shareholders' fund

108,985 107,327

Other financial information

30 Jun 2025 **31 Dec 2024**
EUR Million EUR Million

Total assets	1,815,888	1,837,081
Total liabilities	1,706,903	1,729,754
Total loans and advances to customers	1,010,727	1,054,069
Total customer deposits	1,008,229	1,055,936

For the six months ended
30 Jun 2025 **30 Jun 2024**
EUR Million EUR Million

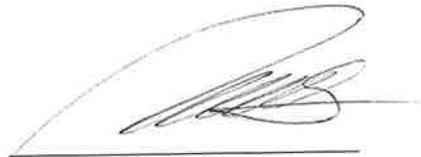
Pre-tax profit

9,104 8,724 *

* The updated comparative figures are stated as per the final reports.

Statement of Compliance

This Disclosure Statement has been prepared in accordance with the Banking (Disclosure) Rules and the disclosure standards as stated in the Hong Kong Monetary Authority's Supervisory Policy Manual on "Guideline on the Application of the Banking (Disclosure) Rules". To the best of my knowledge, the disclosure is not false or misleading in any material respect.

**Marcelo Ricardo Scenna**

Alternate Chief Executive

Banco Santander, S.A. Hong Kong Branch

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