

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 2026

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 Banking.

Unaudited Income Statement

		For the six months ended	
		30 Jun 2026	30 Jun 2025
	Note	HK\$'000	HK\$'000
Interest income		2,820,027	2,141,641
Interest expense		(2,499,902)	(2,190,024)
Other operating income			
- Gains less losses arising from trading in foreign currencies		109,543	368,154
- Gains less losses on securities held for trading purposes		134	1,120
- Gains less losses from other trading activities		(73,794)	21,610
- Net fees and commission income	1	91,234	180,746
- Others		231,695	212,682
Total operating income		678,937	735,929
Operating expenses			
- Staff expenses		(280,444)	(297,717)
- Rental expenses		(23,608)	(18,840)
- Other expenses		(181,214)	(171,751)
Total operating expenses		(485,266)	(488,308)
Operating profit		193,671	247,621
Impairment losses and provisions for impaired loans and receivables		(4,754)	(202)
Gains less losses from the disposal of property, plant and equipment		(179)	6
Profit before taxation		188,738	247,425
Tax expense		(37,661)	(54,534)
Profit after taxation		151,077	192,891

Unaudited Balance Sheet

	Note	30 Jun 2026 HK\$'000	31 Dec 2025 HK\$'000
ASSETS			
Cash and balances with banks (except those included in amount due from overseas offices)		1,959,200	1,457,769
Due from Exchange Fund		325,169	557,612
Placements 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)		1,332,247	814,913
Amounts due from overseas offices		111,711,339	123,460,084
Trade bills		566,658	573,142
Securities held for trading purposes		13,807,069	5,443,998
Loans and receivables	2	19,256,351	16,098,941
Property, plant and equipment		109,907	13,000
Investment securities		6,088,557	7,800,836
Other accounts	3	50,784,692	47,251,384
TOTAL ASSETS		205,941,189	203,471,679
LIABILITIES			
Deposits and balances from banks (except those included in amount due to overseas offices)		8,008,639	14,356,546
Due to Exchange Fund		7,057,845	7,783,950
Deposits from customers			
- demand deposits and current accounts		1,238,361	1,429,969
- savings deposits		3,375,068	10,845,873
- time, call and notice deposits		70,615,225	62,504,678
Amounts due to overseas offices		52,565,182	48,172,575
Certificates of deposit issued		11,842,919	10,879,495
Accrued interests, other liabilities and provisions		51,237,950	47,498,593
TOTAL LIABILITIES		205,941,189	203,471,679

Unaudited Supplementary Information

1. Net fees and commission income

	For the six months ended	
	30 Jun 2026	30 Jun 2025
	HK\$'000	HK\$'000
Gross fees and commission income	106,649	280,475
Gross fees and commission expenses	(15,415)	(99,729)
Net fees and commission income	91,234	180,746

2. Loans and receivables

	30 Jun 2026	31 Dec 2025
	HK\$'000	HK\$'000
Loans and advances to customers (note 9)	19,265,892	16,103,777
Impairment allowances	(9,541)	(4,836)
	19,256,351	16,098,941
Loans and advances to banks	-	-
	19,256,351	16,098,941

3. Other accounts

	30 Jun 2026	31 Dec 2025
	HK\$'000	HK\$'000
Accrued interests and other accounts		
- Accrued interests	1,984,694	1,268,168
- Amounts receivable arising from derivative contracts	48,286,766	45,162,356
- Others	513,232	820,860
	50,784,692	47,251,384

4. Impaired loans and advances

There were no impaired loans and advances to customers or banks as at 30 June 2026 and 31 December 2025.

5. Derivative transactions

	30 Jun 2026	31 Dec 2025
	HK\$'000	HK\$'000
Nominal amounts		
- Exchange rate-related derivative contracts	855,260,847	777,106,287
- Interest rate derivative contracts	1,041,015,758	1,030,548,705

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

	30 Jun 2026	31 Dec 2025
	HK\$'000	HK\$'000
Fair value assets		
- Exchange rate-related derivative contracts	11,735,822	9,763,226
- Interest rate derivative contracts	36,550,944	35,399,130
Fair value liabilities		
- Exchange rate-related derivative contracts	10,798,856	9,168,264
- Interest rate derivative contracts	36,242,281	34,867,900

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 2026	31 Dec 2025
	HK\$'000	HK\$'000
Contractual amounts		
- Direct credit substitutes	1,576,574	1,495,508
- Transaction-related contingencies	18,667,605	16,418,548
- Trade-related contingencies	23,953,033	15,044,090
- Other commitments	67,055,368	69,882,132
- Others (forward deposits placed)	3,873,170	-

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 geographical segments or 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 2026						
Developed economies	114,688	488	503	6,076	-	121,755
<i>Of which: Spain</i>	<i>113,997</i>	<i>-</i>	<i>150</i>	<i>-</i>	<i>-</i>	<i>114,147</i>
Offshore centres	425	13,319	468	11,295	-	25,507
HK\$ million	Banks	Official sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
As at 31 Dec 2025						
Developed economies	126,321	-	468	4,442	-	131,231
<i>Of which: Spain</i>	<i>125,340</i>	<i>-</i>	<i>143</i>	<i>-</i>	<i>-</i>	<i>125,483</i>

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 2026	
	HK\$'000	% to total advances to customers
Gross amount of advances		
- Hong Kong	11,260,274	58.45%
- Others	8,005,618	41.55%
	<u>19,265,892</u>	<u>100.00%</u>
Overdue or impaired loans	-	-

	31 Dec 2025	
	HK\$'000	% to total advances to customers
Gross amount of advances		
- Hong Kong	5,546,209	34.44%
- Switzerland	2,401,180	14.91%
- Singapore	2,238,892	13.90%
- Cayman Islands	1,961,858	12.18%
- Others	3,955,638	24.57%
	<u>16,103,777</u>	<u>100.00%</u>
Overdue or impaired loans	-	-

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 2026		31 Dec 2025	
	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				
- Industrial, commercial and financial				
- Manufacturing	2,137,590	-	1,956,267	-
	<u>2,137,590</u>		<u>1,956,267</u>	
Trade financing	8,294,924	-	8,709,321	-
Loans and advances for use outside Hong Kong	8,833,378	16.87%	5,438,189	18.61%
	<u>8,833,378</u>		<u>5,438,189</u>	
Gross loans and advances to customers (note 2)	<u>19,265,892</u>		<u>16,103,777</u>	

10. Overdue or rescheduled assets

As at 30 June 2026 and 31 December 2025, 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 2026 and 31 December 2025.

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 2026			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	2,976	4,002	6,978
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	3	3
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	8,099	3,189	11,288
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	11,075	7,194	18,269
Total assets after provisions	205,937		
On-balance sheet exposures as percentage of total assets	5.38%		

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 2025			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	1,779	4,373	6,152
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	17	17
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	6,144	2,936	9,080
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	<u>7,923</u>	<u>7,326</u>	<u>15,249</u>
Total assets after provisions	203,467		
On-balance sheet exposures as percentage of total assets	<u>3.89%</u>		

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	EUR	GBP	JPY	Others	Total
As at 30 Jun 2026							
Spot assets	151,862	4,121	5,854	1,550	2,327	33,496	199,210
Spot liabilities	(114,214)	(36,980)	(4,306)	(3,124)	(484)	(22,682)	(181,790)
Forward purchases	347,902	214,736	25,902	4,301	24,194	87,414	704,449
Forward sales	(386,454)	(180,024)	(27,189)	(2,979)	(26,413)	(98,451)	(721,510)
Net options position	-	-	-	-	-	-	-
Net long/ (short) position	(904)	1,853	261	(252)	(376)	(223)	359
Net structural position	34	-	-	-	-	-	34
HK\$ million							
	USD	CNY				Others	Total
As at 31 Dec 2025							
Spot assets				137,865	3,741	54,733	196,339
Spot liabilities				(113,035)	(27,853)	(41,360)	(182,248)
Forward purchases				302,883	182,553	123,948	609,384
Forward sales				(326,446)	(158,938)	(137,211)	(622,595)
Net options position				-	-	-	-
Net long/ (short) position				1,267	(497)	110	880
Net structural position				1	-	-	1

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

Unaudited Supplementary Information (Continued)**14. Liquidity information disclosures**

	For the quarter ended	
	30 Jun 2026	30 Jun 2025
Average LMR for the financial period	59.56%	43.58%

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.

15. Disclosure on remuneration

Pursuant to section 3 of Supervisory Policy Manual (CG-5) Guideline on a Sound Remuneration System issued by 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 2025 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

	30 Jun 2026	31 Dec 2025
Capital ratios		
CET1 capital ratio	14.0%	13.5%
Tier 1 capital ratio	15.7%	15.0%
Total capital ratio	18.8%	17.8%

EUR Million EUR Million

Shareholders' fund	115,898	112,748
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Other financial information

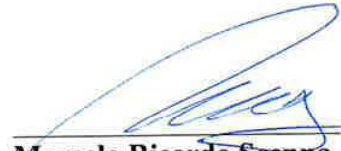
	30 Jun 2026	31 Dec 2025
	EUR Million	EUR Million
Total assets	1,954,465	1,867,515
Total liabilities	1,838,567	1,754,767
Total loans and advances to customers	1,149,162	1,037,288
Total customer deposits	1,133,762	1,041,200

For the six months ended
30 Jun 2026 **30 Jun 2025**
 EUR Million EUR Million

Pre-tax profit	9,961	9,104
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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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