

Haitong Bank, S.A. Reports First Half 2019 Results – A Sustainable Business Model Leading to Solid Profit Generation

Haitong Bank CEO's Statement

Delivering Value

I am pleased to report great progress in delivering value to our stakeholders. Haitong Bank's 1H19 results show the sustainability of the Bank's business model, with Banking Income increasing by one third and Net Income reaching a record of €11 million in the first half of the year. We are strongly capitalised and fully committed to continue delivering innovative solutions to our clients.

Entering New Business Territory

Haitong Bank's business model has allowed Haitong Group to enter into **new business territory shaped by cross-border flows**. The Bank combines a long-established presence in Western Markets with unrivalled access to Chinese deal flow. This has added a new dimension to the Group's business model as a player in cross-border business. We are proud to have delivered this value-added contribution to our Group.

Driving a New Corporate Culture

We have rebuilt the Bank on strong foundations. This is based on excellent governance and a renewed corporate culture underpinned by our core values of **Transparency, Meritocracy, Perseverance** and **Integrity**. These principles have contributed strongly to shaping a solid and credible organisation.

Wu Min

CEO

Lisbon, 24 September 2019

Performance Highlights

1H2019 Net Profit has reached €11 million, which compares to a €2 million loss in 1H2018

Banking Income in the first half has reached €57 million, a 30% year-on-year increase

1H2019 Operating Profit has reached €18 million, which compares to €5 million in 1H2018

The Bank's Capital position is among the strongest in the industry with a CET 1 ratio of 24% and a Total Capital ratio of 30%

Financial Overview

Lisbon, September 24, 2019 – Haitong Bank, S.A. (Haitong Bank) today reported a Net Income of €11 million in the first half of 2019. This result compares with a net loss of €2 million in the first half of 2018.

The robust result was underpinned by 30% yoy growth in Banking Income to €57 million in 1H2019 and higher efficiency levels. Operating costs stood at €39 million and banking income per employee increased by 36% yoy.

Operating Profit reached €18 million in the first half of 2019 vs €5 million in the same period last year.

The Bank recorded a positive performance, demonstrating the sustainability of the business model. Haitong Bank has been successful in capturing China-related deal flow whilst remaining active in operations in its core domestic markets in Europe and Latin America. It should be noted that there were no one-off events during this period with an impact on the accounts.

From an Asset Quality perspective, the Bank has also made further progress during the first half of the year. The NPL ratio decreased from 8.2% in December 2018 to 4.6% in June 2019, including the sale of the Irish subsidiary, which has been reflected in the accounts as a discontinued operation since December 2018.

Capital

Haitong Bank is currently highly capitalized with a CET1 ratio of 24% and a Total Capital ratio of 30%. This strong capital position gives the Bank further room to increase the size of the Balance Sheet to support clients' business in credit transactions, underwriting, corporate solutions and FICC.

KEY INDICATORS

(million euros)

	2019 June	2018 December	2018 June restatement
Balance Sheet			
Total Assets	2 946	2 895	3 263
Total Liabilities	2 327	2 279	2 642
Total Equity	619	616	621
Results			
Banking Income	57	99	44
Operating Costs	-39	-78	-39
Operating Profit	18	21	5
Impairment and Provisions	-1	-26	-23
Net Profit / Loss	11	1	-2
Credit Quality			
Non Performing Loans Ratio	4,6%	8,2%	33,0%
Solvency			
CET1 ratio (phased-in)	24,3%	22,9%	22,1%
Total capital ratio (phased-in)	30,4%	28,9%	28,0%

Source: Haitong Bank

Other Matters

Haitong Bank has received authorisation from the Bank of Portugal to open a branch in Macau. This branch is pending authorisation from the local regulator AMCM. This is a crucial step for future development of the Bank's strategy. This branch will foster cross-border deal flow not only with the Great Bay Area, comprising Macau, Hong Kong and the mainland Chinese province of Guangdong, but also in other parts of China and across Asia Pacific.

About Haitong Bank

Haitong Bank, S.A. is part of Haitong Securities Co. Ltd, which is one of the leading investment banks and securities firms in China and a first-mover Chinese securities firm providing a wide range of services in global markets. Haitong Group is present in 14 countries in Asia, Europe, North America and South America, providing securities and futures brokerage, investment

banking, asset management, private equity, alternative investments and financial leasing services.

Haitong Bank offers a combination of expertise in structured finance, capital markets, M&A advisory, FICC, asset management, and private equity businesses. Through its operations located in Iberia, the UK, Poland and Brazil, and based on its unrivalled cross-border approach, Haitong Bank connects clients and opportunities across its broad network through a team of over three hundred professionals.

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