



HAITONG BANK, S.A.

Share Capital: €863,278,725

Headquarters: Rua Alexandre Herculano, 38, 1269-180 Lisboa

Registered at Lisbon Commercial Register under number: 501 385 932

Haitong Bank, S.A. reports 2022 Results

Haitong Bank, S.A. (“Haitong Bank”) informs about its 2022 consolidated and individual accounts, which have been approved by the Board of Directors and will be submitted to the Sole Shareholder.

Lisbon, 13 March 2023

HAITONG BANK, S.A.

Haitong Bank's profits increase three-fold in 2022 in a challenging backdrop

2022 Performance Highlights

- Net Profit increased to €11.1 million in 2022 (from €3.6 million in 2021), reaching 2022 target and showing consistent profitability in the challenging period 2020-2022
 - Asset quality at record levels in 2022, with NPL ratio of 1.2% and NPE ratio of 0.5%
 - Successful inaugural Bond Issues both in the EUR and USD markets
 - Total Assets growth of 24% year-on-year, reaching €3.4 billion in 2022
 - Strong Capital and Liquidity positions with a CET1 ratio of 17.4%, a Total Capital Ratio of 21.8% and an NSFR of 145%
 - New initiatives of Macau Branch and Paris Rep Office supporting China strategy and European franchise
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Financial Overview

Haitong Bank, S.A. (Haitong Bank) reports a 2022 Net Profit of €11.1 million, a threefold increase *versus* a Net Profit of €3.6 million in 2021.

The Bank successfully managed the challenging backdrop in 2022. The year was marked by the war in Ukraine, increasing market volatility, inflation and interest rates. The lockdowns in China throughout the year affected China-related business, particularly in the first half of the year.

After the uncertainties experienced in 1H2022, business activity showed a significant improvement during 2H2022, with the important contribution from Fixed Income and M&A, resulting from the upturn in the Brazilian fixed income activity and from the increasing flow of China-related business. The Bank's Macau Branch and the recently established Representative Office in Paris started to deliver on its business origination role. Total Banking Income for the year was €74 million, 17% lower than the €89 million reached in 2021, particularly explained by the slower first half of the year.

Operating Costs slightly increased, year-on-year, and amounted to €61 million. The Bank's strict cost discipline allowed Operating Profit in 2022 to reach €13 million, despite subdued net revenues.

Total Assets showed an encouraging expansion of 24% reaching €3.4 billion by the end of 2022. Despite the more prudent risk appetite, the Loan Portfolio increased 24% to €772 million, driven by the strong dynamic of the Structured Finance business.

The Bank has also taken further steps to diversify its funding sources, increasing the maturity and reducing the cost of funding. In 2022, Haitong Bank launched two inaugural bond issues: in February, the Bank issued a 3-year €230 million senior notes and in May launched a 5-year USD 150 million fixed rate bond issue. Both issues were rated BBB by S&P, benefiting from a guarantee of Haitong Securities Co. Ltd..

Regarding Asset Quality, the Bank showed, once again, record indicators in 2022 expressed by the NPL and NPE ratios of 1.2% (2.1% in 2021) and 0.5% (1.0% in the previous year) in 2022, respectively.

The Bank has been executing a consistent strategy over the past few years, focused on strengthening its domestic client franchise in Europe and Latin America, alongside a recurrent cross-border business flow with China. The resilience shown during the last 3 years proves the efficiency of the Bank's business model and positions the Bank favourably to take advantage of future growth opportunities in the next step of its development.

Capital & Liquidity

Haitong Bank continues to show strong capital and liquidity positions with a CET1 ratio of 17.4%, a Total Capital of 21.8% and an NSFR of 145% as at the end of 2022. In the first half of the year the bank made its inaugural bond issues both in the EUR and USD markets, supported by a guaranty of its parent, This strong position enabled the increase of the Balance Sheet through credit, bond underwriting, corporate hedging solutions, and other Fixed Income products.

KEY INDICATORS

(million euros)

	2022 December	2021 December	2020 December
Balance Sheet			
Total Assets	3,416	2,747	2,801
Total Liabilities	2,788	2,140	2,203
Total Equity	628	607	598
Results			
Banking Income	74	89	82
Operating Costs	-61	-60	-58
Operating Profit	13	29	24
Impairment and Provisions	0	-20	-12
Net Profit / Loss	11	4	2
Credit Quality			
Non Performing Loan Ratio (NPL ratio)	1.2%	2.1%	1.9%
Non Performing Exposure Ratio (NPE ratio)	0.5%	1.0%	3.5%
Solvency			
CET1 ratio (phased-in)	17.4%	18.9%	22.7%
Total capital ratio (phased-in)	21.8%	23.6%	28.5%

Source: Haitong Bank

About Haitong Bank

Haitong Bank, S.A. is part of Haitong Securities Co. Ltd, a leading investment bank and securities firm in China and a first-mover Chinese securities firm providing a wide range of financial services in global markets. Haitong Group is present in 14 countries in Asia, Europe, North America and South America, providing investment banking, securities brokerage, wealth management, asset management, private equity, and financial leasing services.

Haitong Bank offers a combination of expertise in structured finance, capital markets, M&A advisory, corporate derivatives, fixed income and asset management. Through its operations located in Portugal, Spain, the UK, Poland, Brazil, France and Macau, and broader access to Asia through Haitong Group, Haitong Bank connects clients and opportunities across its network with a team of about three hundred and fifty professionals.