



HAITONG BANK, S.A.

2026 INTERIM REPORT

HAITONG BANK, S.A.

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1269-180 Lisbon | PORTUGAL
Registered Share Capital: 871 605 935 euros
Corporate Registration
and Tax Number: 501 385 932**

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MANAGEMENT REPORT

Senior Management

Board of Directors



Pan Guangtao

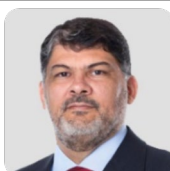
Chairman of the Board of Directors



Lu Xiaoli (Nick Lu)

Chief Executive Officer¹ and Executive Board Member

Subsidiary and Branch Management | CEO Office | Human Resources | Finance | IT Development and Application Support and IT Infrastructure | Online Banking | Cross-border Business | Macau Branch | Headquarter Business Coordination



Alan Fernandes

Executive Board Member

Haitong Banco de Investimento do Brasil, S.A.



Miguel Guiomar

Executive Board Member

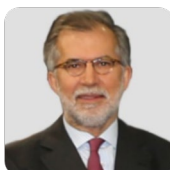
Portugal Branch² | Fixed Income | Treasury



Vasco Câmara Martins

Executive Board Member

Risk Management | Rating | Operations | Compliance & AML-FT | CISO Office | Special Portfolio Management | Legal



António Domingues

Non-Executive Board Member

¹ On 22 January 2026, the Bank's Board of Directors accepted Mr. Wu Min's resignation and appointed Mr. Lu Xiaoli as the Bank's new CEO. Banco de Portugal approved this appointment on 28 May 2026

² Does not correspond formally to a legal entity, having been established for internal organisational purposes only



Maria do Rosário Ventura
Non-Executive Board Member



Martina García
Non-Executive Board Member



Zhang Xinjun (Jeff Zhang)
Non-Executive Board Member



Chen Xuemei (Michelle Chen)
Non-Executive Board Member

Senior Managers with a
Seat on the Executive
Committee

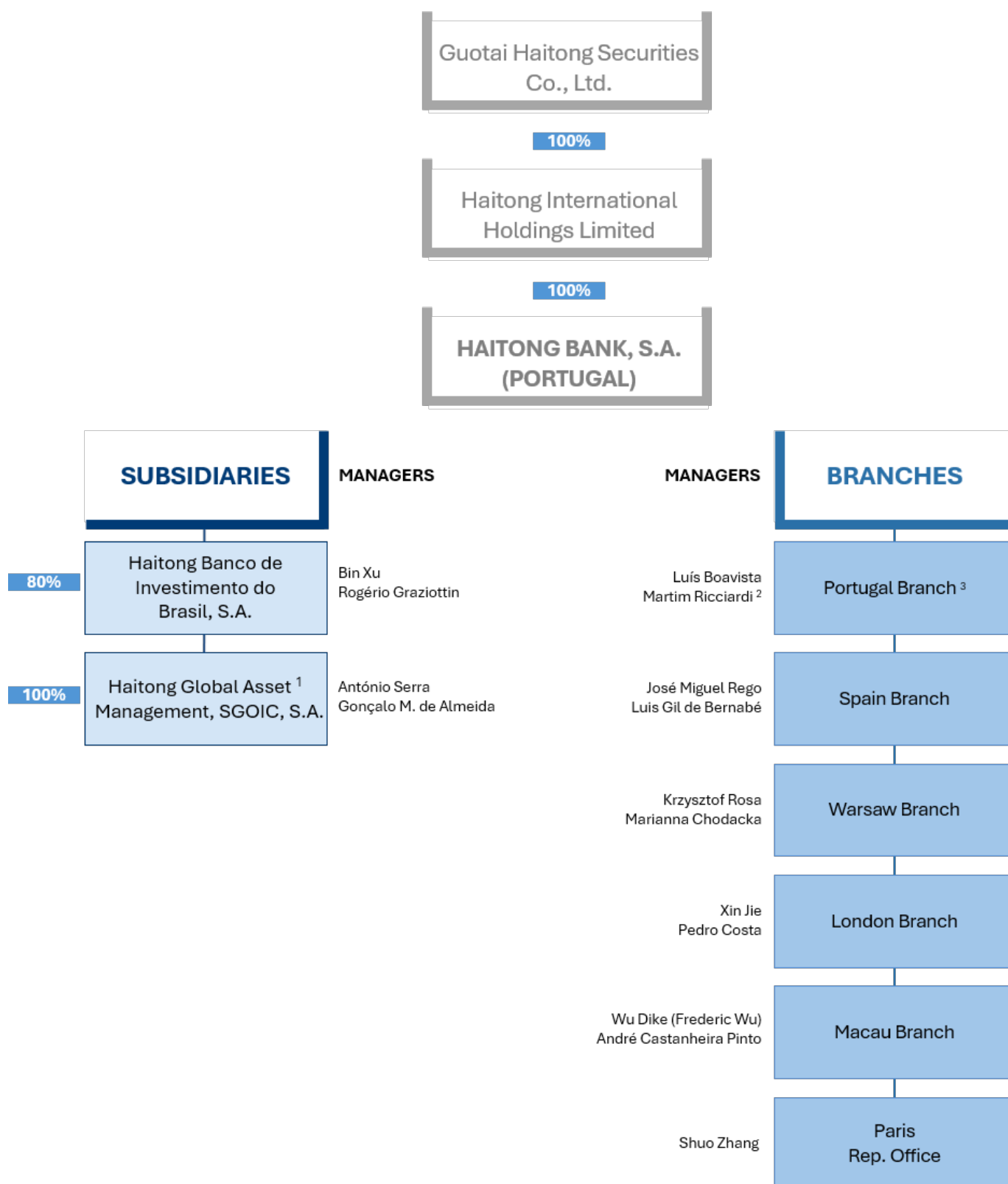


Pedro Costa
Head of CEO Office | London Branch Manager | Company Secretary
Representative for Investor Relations



António Pacheco
Head of the Finance Department |
Company Secretary Alternate

Organisational Structure



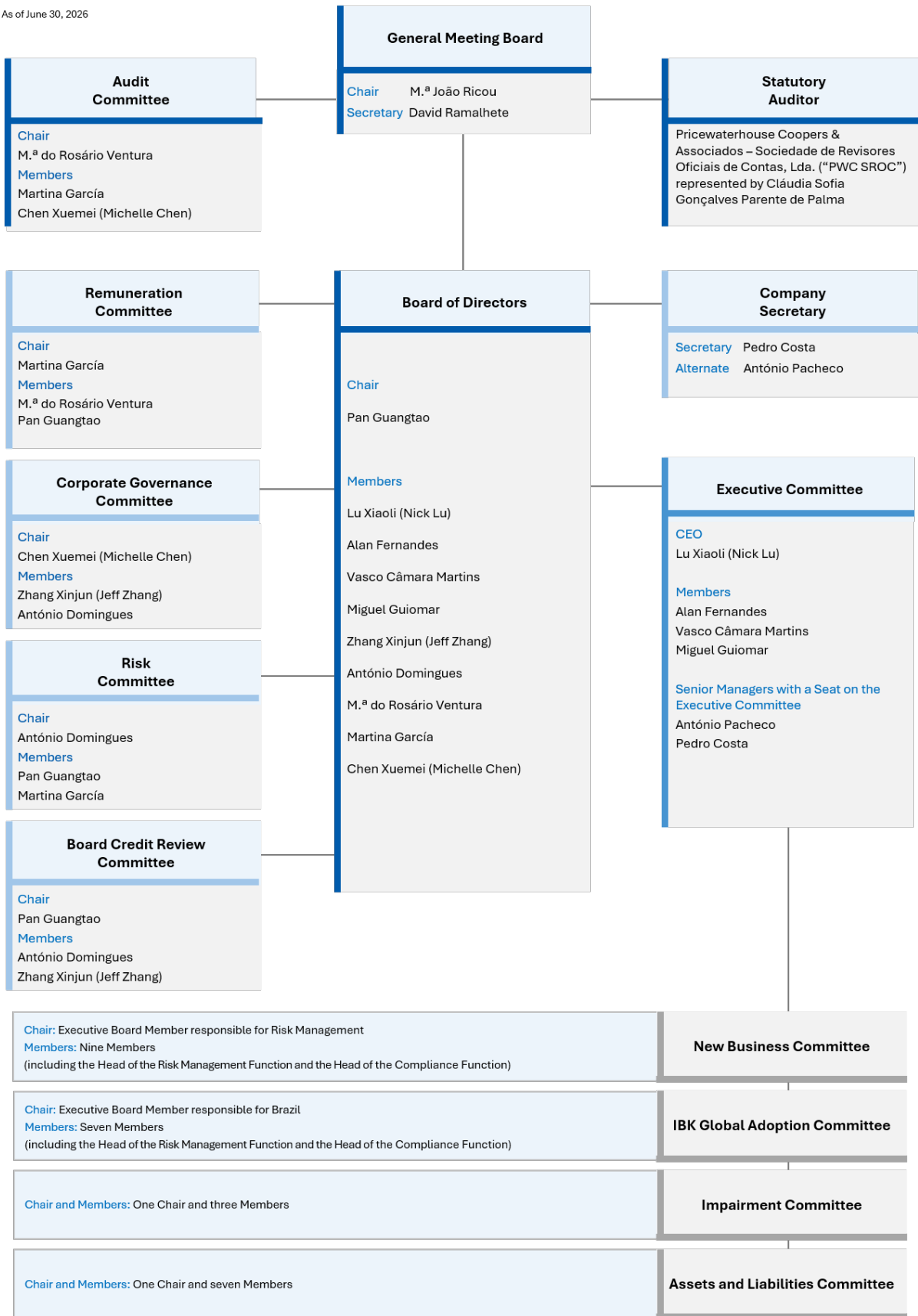
1. The resignation of Mr. Luís Valença Pinto as CEO of HGAM took effect on June 30, 2026

2. Deputy Branch Manager

3. Does not correspond formally to a legal entity and was established for internal organisation purposes only

Governance

As of June 30, 2026



Note 1: On 22 January 2026, the Bank's Board of Directors accepted Mr. Wu Min's resignation and appointed Mr. Lu Xiaoli as the Bank's new CEO. Banco de Portugal approved this appointment on 28 May 2026

Note 2: The resignation of Mr. Nuno Carvalho as an Executive Board Member took effect on May 30, 2026

Macroeconomic Background

1H2026 Overview

The new US-Iran conflict materially changed global economic conditions in the first half of 2026 and worsened the 12-month outlook. Since February 28th, disruption to commercial traffic through the Strait of Hormuz has lifted markets volatility, as well as inflation and supply-chain risk. Europe and Asia were most exposed given their reliance on Gulf crude oil, Liquefied Natural Gas (LNG), fertilizers, and energy-intensive metals such as steel and aluminium.

This shock has become the largest oil-supply disruption since the Iranian Revolution, with Brent crude rising 24.8% in the first half of the year versus the second half of 2025. It should be noted that Persian Gulf nations account for roughly one-fifth of global crude supply and 25% of global LNG output.

Economic data still showed resilience despite weak business and consumer confidence. In the early phase of the conflict, global industrial output rose as manufacturers frontloaded production to reduce exposure to potential supply-chain disruption.

China slowed its GDP growth to 4.3% YoY in the second quarter of 2026, from 5.0% both in the first quarter of 2026 and in 2025, slightly below the 4.5%–5.0% annual target. As for the US GDP, it exceeded expectations in the first half of 2026, advancing 2.7% YoY versus 2.0% in the last quarter of 2025 and 2.1% in 2025, supported by strong AI-related capital investment. Preliminary estimates of the Census Bureau revealed 2.1% YoY growth in the second quarter of 2026. With Europe being more exposed to the oil-price shock, the Eurozone GDP growth fell from 1.1% YoY in the last quarter of 2025 to 0.5% in the first quarter of 2026. However, economic activity was more resilient and GDP advanced 1.0% in the second quarter of 2026. Particularly regarding the UK, its GDP grew 0.9% YoY in the first quarter of 2026, unchanged from the last quarter of 2025, and also gained a mild traction to 1.2% YoY in the second quarter of 2026.

The closure of the Strait of Hormuz and higher oil prices passed through to inflation, pushing the consumer price index (CPI) to the highest levels since 2021 by June 2026. The Eurozone CPI rose from 2.1% YoY in December 2025 to 2.8% in June, while the US CPI increased from 2.7% to 3.5%. China's CPI rose more moderately, from 0.1% to 1.0%, supported by strategic oil and gas reserves. Recent reports from the International Energy Agency estimate up to 240 days of downstream fuel autonomy.

With inflation moving away from the 2% targets, central banks faced a difficult trade-off between price stability and softer growth. The ECB raised rates by 25 basis points in June, taking the deposit rate to 2.25%, and the Bank of Japan lifted its benchmark rate by 25 basis points to 1%, also in June. The Bank of England left rates unchanged but signalled a possible 2026 hike as inflation expectations deteriorated.

Kevin Warsh replaced Jerome Powell as Federal Reserve Chair in May. The Fed kept the funds rate at 3.50%–3.75% in the first half of 2026 but no longer signals early-2026 forward guidance toward rate cuts. Warsh reaffirmed central bank independence and the dual mandate, with unemployment still near full employment at 4.2% in June.

Long-end government bond risk premium rose in the first semester of 2026. The 10-year US Treasury yield increased 29.8 basis points YTD to 4.465%, Japan's 10-year yield rose 61.7 basis points to 2.68%, and the UK 10-year yield added 27.8 basis points to 4.757%. Germany's 10-year yield was broadly stable at 2.86% (+0.5bp YTD), reflecting the ECB's faster tightening response and weak growth outlook.

Risk aversion and high nominal rates strengthened the US dollar, with the index DXY up 2.9% YTD to 101.2. The euro fell to EURUSD 1.142 (-2.8% YTD) and sterling to GBPUSD 1.326 (-1.4%). Chinese yuan gained 2.9% YTD to USDCNY 6.78 on strong exports and a record trade surplus, while the Brazilian real rose 6.1% versus USD and 8.7% versus EUR despite a 75 basis points Selic cut to 14.25%. Poland's zloty weakened against USD (-4.9%) and EUR (-2.5%) after the Polish central bank signalled a dovish policy stance.

Credit markets recovered in June after the initial Gulf-conflict shock, with spreads returning to levels close to end-2025. The iTraxx Xover 5Y EUR CDS (high yield) widened to 362 basis points on March 30th before easing to 244.6 basis points by end-June, while iTraxx Main (investment grade) spiked to 73.6 basis points on March 27th and narrowed to 51.6 basis points by the end of the semester. Risk sentiment remains supported by the absence of the Covid-19 pandemic effects, by euro sovereign-debt or US subprime-style economic distress, and by expectations that central banks will avoid a major liquidity tightening unless inflation returns to 2021–2022 levels.

2H2026 Outlook

The Iran-related energy and supply shock has shifted the global economy from a soft-landing scenario toward a more inflationary, lower-growth environment, with higher rates and fiscal risks likely to dominate market performance into 2027. Consensus estimates for the world GDP growth in 2026 shifted from 3.1% prior to the military conflict to 3.0% in September (Bloomberg consensus). The US GDP growth projections for 2026 dropped from 2.5% in February to 2.1% in September. In China, the consensus growth estimates slightly improved from 4.5% in January to 4.6% in September. The Eurozone is the most affected region with GDP growth projections for 2026 declining from 1.2% in February to 0.8% in September.

Market participants are pricing limited room for aggressive central-bank action, as the immediate impact of the conflict on global inflation appears smaller than the supply-chain shock of 2021–2022. However, the length and magnitude of the shock may prolong the cycle of higher interest rates.

Based on their latest policy decisions, major Western central banks are projecting inflation to remain above the 2% target until at least the end of 2027. Futures markets are pricing additional 25 to 50 basis points ECB rate hikes in the second half of 2026, taking the deposit rate to a range of 2.5% to 2.75%. US money markets are also pricing a potential Fed rate hike between the second semester of 2026 and the first half of 2027, with the federal funds rate moving from 3.50%–3.75% to as high as 4.00% to 4.25% in the next 12 months. The Bank of England is also expected to deliver up to two rate hikes (25 basis points each) vs. the current rate of 3.75% by June of 2027. In Asia, the People's Bank of China is expected to remain on hold with the prospect of slow domestic demand and low inflation. Meanwhile, the Bank of Japan signalled that it may tighten monetary conditions in the second half of the year and increase the benchmark interest rate to a range of 1.25% to 1.50% (+25 to 50 basis points).

The Iran conflict is deepening imbalances in global macroeconomic fundamentals. From supply-chain disruption across key commodities to wider fiscal deficits in countries seeking to mitigate the impact of the conflict, the outlook for a limited global recovery appears likely to extend beyond 2027.

Fiscal policies aimed at reducing the impact of the war in Iran have mitigated the odds of a recession worldwide. However, such fiscal stimuli come with more challenges for some countries. In the absence of comprehensive long-term fiscal discipline, higher sovereign risk premium could constrain private-sector borrowing and weigh on broader economic activity.

The US fiscal deficit is expected to widen from 5.4% of GDP in 2025 to 6.3% in 2026, and 6.4% of GDP per year until 2028 (Bloomberg Consensus in September 2026). Such fiscal deterioration translates into the debt-to-GDP ratio advancing from 99.5% to 101.9% in 2026, 103.8% in 2027, and 105.5% in 2028. The debt-to-GDP ratio is expected to keep rising above 100% of GDP in the UK (from 102.3% in 2025 to 103.9% in 2026), in France (from 115.6% in 2025 to 118.8% in 2026), and in Italy (from 137% in 2025 to 138.5% in 2026), according to the Spring Projections of the European Commission (EC Spring 2026). Meanwhile, the continuing fiscal discipline in Portugal and Spain supports the outlook for declining public debt as a ratio of GDP. In Spain, the debt-to-GDP ratio is expected to break below 100% (100.7% in 2025) to 99.6% in 2026 (EC Spring 2026). Portugal is expected to further reduce the debt-to-GDP ratio from 89.7% in 2025 to 87.6% in 2026 (EC Spring 2026).

Global sovereign bond markets have experienced significant volatility since the onset of the Iran conflict, driven by a shift in central-bank policy expectations. Such volatility is expected to be repeated in the second half of the year 2026 with the risk of prolonged deterioration in fiscal fundamentals potentially leading credit rating agencies to take action. The Bank's view is that a material risk of rating revisions for key sovereign issuers could emerge, including France and the US, depending on their 2027 budget plans.

Key Indicators

(EUR million)

	June 2026	December 2025	June 2025
Balance Sheet			
Total Assets	3 282	3 429	3 568
Total Liabilities	2 664	2 817	2 927
Total Equity	618	612	641
Results			
Banking Income	30	48	33
Operating Costs	-26	-52	-28
Operating Profit	4	-4	5
Impairment and Provisions	1	-16	2
Net Profit / Loss	1	-30	1
Profitability			
Return on average shareholders' equity (ROE)	0.4%	-4.6%	0.3%
Income before tax and non-controlling interests / Average equity ⁽¹⁾	0.9%	-3.2%	1.0%
Return on average net assets (ROA)	0.1%	-0.9%	0.1%
Income before tax and non-controlling interests / Average net asset ⁽¹⁾	0.2%	-0.6%	0.2%
Banking Income / Average net assets ⁽¹⁾	1.8%	1.4%	1.9%
Efficiency			
Operating costs / Banking income (Cost to Income ratio) ⁽¹⁾	87.0%	109.4%	84.6%
Staff Costs / Banking Income ⁽¹⁾	57.6%	70.4%	56.0%
Credit Quality			
Loan Portfolio (gross)	758	745	768
Loan Loss Charge	0.6	12.6	1.9
Non-Performing Loans Ratio	3.7%	3.7%	1.6%
Non-Performing Loans Coverage	62.8%	57.5%	20.9%
Solvency			
CET1 ratio	18.9%	19.6%	19.1%
Total capital ratio	23.9%	24.7%	23.9%
Leverage			
Leverage Ratio	11.6%	11.4%	11.4%
Liquidity Position			
Net Stable Funding Ratio (NSFR)	127%	144%	132%
Liquidity Coverage Ratio (LCR)	208%	237%	221%
Loans to deposits ratio ((Gross loans - provisions) / customer deposits) ⁽¹⁾	73%	62%	67%
Total Headcount	311	309	314

¹ Banco de Portugal Reference Indicators (Notice 23/2011)

Financial Overview

Following the transition year of 2025, during which the merger at Shareholder level was successfully completed and the regulatory process at the level of Haitong Bank ultimately finalised, the Bank entered a renewed phase, focused on reinforcing the foundations of its franchise and restoring sustainable business momentum. During the first half of 2026, the Bank concentrated its efforts on strengthening profitability and steering the franchise towards a more consistent recovery path, while continuing to pursue initiatives aligned with its strategic priorities.

With the continued support of its Shareholder, the Bank advanced several joint business initiatives during the semester. These initiatives will support the gradual recovery of the cross-border business activity, reinforce the Bank's China-related business, and contribute to its objective of building a stronger, more profitable, and more competitive platform, while creating additional opportunities for future revenue generation.

At the end of June, Banking Income reached EUR 30 million, representing a 7.2% decrease YoY. In its China-related business, despite some delays in execution, several mandates were signed toward the end of the semester, with the corresponding revenue contribution expected to become more visible in second half. Local franchises performed in line with expectations, with fixed income and lending activities standing out as the main contributors. Net Interest Margin amounted to EUR 14.1 million, down 41.6% YoY. However, this result was partially offset by a significant increase in Capital Markets gains of EUR 9.3 million compared with the same period of the previous year.

Operational Results remained positive in the first half of 2026, supported by disciplined cost management and the completion of the restructuring process at Haitong Brazil, which together resulted in a 4.6% YoY reduction in Operating Costs. This performance reflected the Bank's continued focus on improving efficiency while maintaining control over its operating base.

Impairments and Provisions amounted to EUR 1.1 million, remaining below the level recorded in the previous semester. Asset quality ratios remained broadly stable during the period: the NPL ratio stood at 3.7%, unchanged from year-end 2025, while the NPE ratio increased slightly from 2.2% in December 2025 to 2.4% in June 2026, despite the 8.3% reduction in the Bank's gross exposure base.

Overall, Haitong Bank returned to positive Net Profit in the first half of 2026, reporting EUR 1.4 million. Although still modest, this result represents an important step in the Bank's recovery path, away from the one-off events that marked 2025.

The expansion of the Bank's productive asset base through credit origination and investment activity is crucial for strengthening the Bank's recurrent revenue. As of June 2026, Total Assets reached EUR 3.3 billion, representing a 4.3% reduction compared to December 2025, driven by a significant drop in Loan and Advances to Banks. This decrease was the result of the optimisation of the funding sources and of the liquidity reserves.

Securities portfolios, particularly the trading asset portfolios, increased during the period, supported by renewed investment activity and active portfolio management. This growth was partially moderated by the realisation of capital gains, as the Bank took advantage of market volatility to crystallise value and optimise the composition of its portfolios. The loan portfolio totalled EUR 738 million as of June 2026, only slightly above December 2025 due to early credit repayments.

On the funding side, the Bank managed its available funding and liquidity sources prudently, in line with regulatory requirements and funding cost optimisation target. During the first half, the Bank continued to use online retail deposit platforms, although at a slower pace than in previous periods and a Shareholder-guaranteed syndicated loan was approved, with a USD 150 million tranche currently underway and expected to be completed by November 2026. As of June 2026, Haitong Bank reported an LCR of 208%, reflecting a resilient short-term liquidity position and comfortable compliance with regulatory standards. The Bank's NSFR stood at 127% as of the same date, confirming an adequate medium- to long-term funding profile in line with regulatory limits.

The Bank ended the semester preserving a robust capital position, with a CET1 ratio of 18.9% and a Total Capital ratio of 23.9%, providing a strong buffer above regulatory requirement. This solid capital base allows the maintenance of the Bank's financial resilience, supporting the gradual expansion of business activity, and providing flexibility to pursue strategic initiatives while maintaining a prudent risk profile.

In the first half of 2026, Standard & Poor's ("S&P") affirmed the Bank's "BB+/B" long- and short-term issuer credit ratings, while maintaining the Outlook as Negative. According to S&P, the negative outlook reflects uncertainty about the strategic importance of Haitong Bank to its new owner, given its relatively small size within the group and its operation in a different business segment and region.

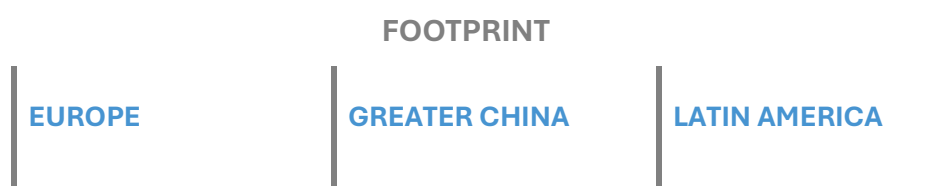
STRATEGY

Business Strategy

Haitong Bank is a corporate and investment bank dedicated to supporting clients across the domestic markets in which it operates, as well as in cross-border transactions.

The Bank's strategy focuses on connecting clients with business opportunities through its extensive network, blending long-standing expertise in Europe and Latin America with a strong Chinese background.

The Bank capitalises on its multinational experience and unique footprint to create strategic value for the Group.



Haitong Bank's strategy is underpinned by three main drivers:

- Historical franchises in Europe and Latin America;
- A China angle, through the Macau Branch and Group connectivity; and
- A cross-border focus, leveraging on the extensive footprint.

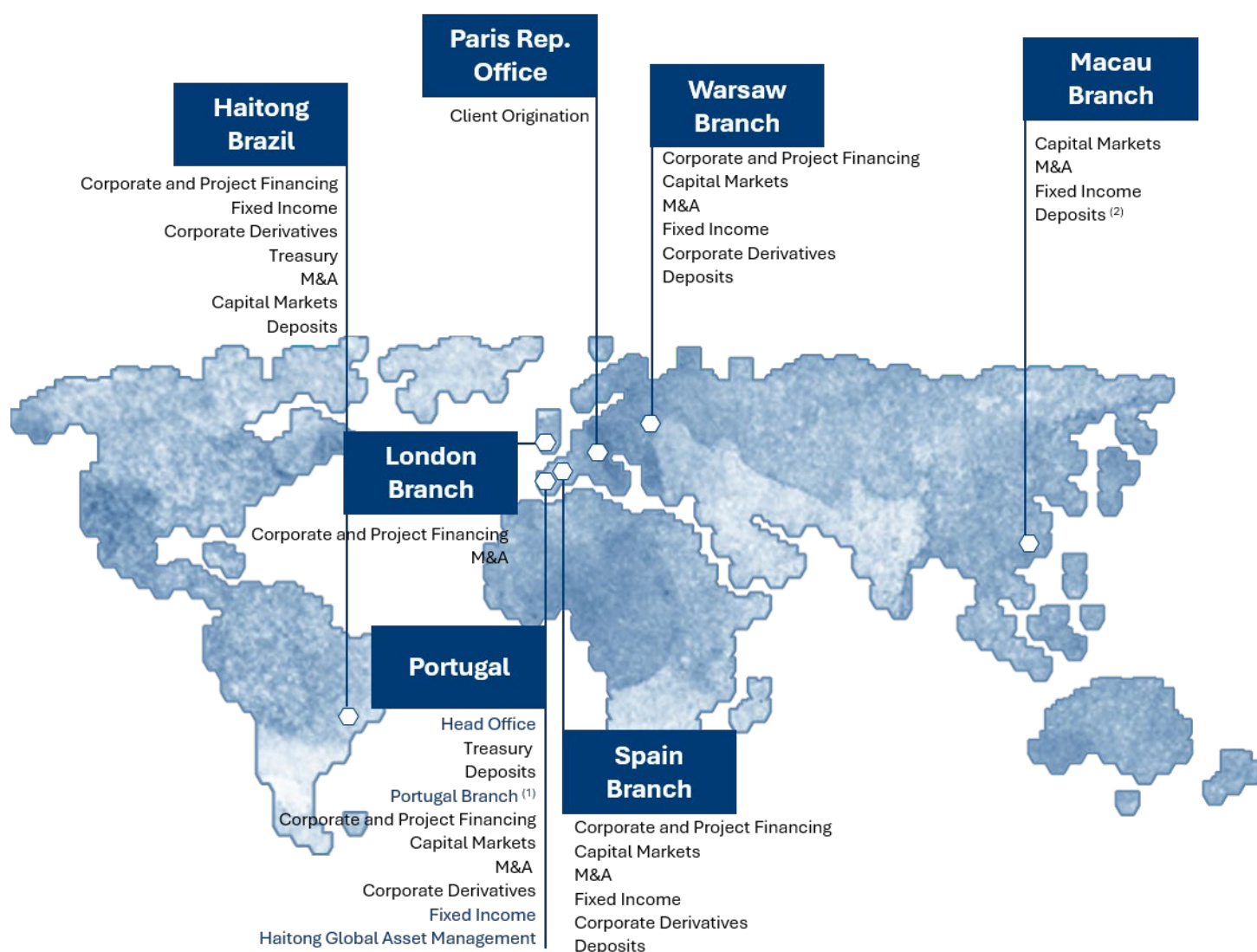
Over recent years, the Bank has followed a consistent strategy as an investment bank well anchored on its franchises in Europe, Latin America, and China. This positioning has allowed the Bank to improve its resilience and differentiation versus other Western and Chinese competitors.

The Bank's mission is to provide first-class services to clients, to further develop the Group's global franchise and create strategic value to the Shareholder. This encompasses a strong sense of capital preservation driven by a conscious risk-taking approach and an effective cost base, in full compliance with rules and regulations.

Haitong Bank conducts its activities guided by a corporate culture shaped by its core values of **Transparency**, **Meritocracy**, **Perseverance**, and **Integrity**. The cornerstone of the Bank's collective goal for success is to build trust with clients and other stakeholders, including Regulators. This is supported by a consistent rules-based organisation, operating under a clear code of conduct, a comprehensive strategy, and solid governance.

The Bank is committed to sustainably supporting its clients' activities, ensuring equal treatment and guaranteeing that its clients' legal interests and confidentiality are protected, and that high-quality and efficient services are always provided. To this end, the Bank strategically engages clients to understand their financial needs and offer bespoke solutions, aiming to ensure a seamless and professional experience.

Business Model and Internal Organisation



¹ For management information purposes only

² Under implementation

Main Products

CORPORATE AND PROJECT FINANCING

Corporate lending
Collateralised asset finance
Project finance
Acquisition finance
Guarantees

FIXED INCOME

Banking book management
Fixed income market making and trading
Distribution to institutional clients
Bond syndication

CAPITAL MARKETS

Eurobonds (EUR/USD)
Domestic bonds (multicurrency)
Short-term debt instruments
Advisory on ECM transactions

M&A ADVISORY

Sell-side and buy-side advisory
Company valuations
Restructuring advisory
Feasibility studies

CORPORATE DERIVATIVES

Hedging solutions
Commodities
Interest rates
Foreign exchange
CO2

INVESTMENT SERVICES

Global Asset Management

Cross-asset experience: Equities, Fixed Income, and Private Equity

Local expertise: Europe and China

Discretionary mandates and fund management

Deposits

Retail, including online banking, corporate and institutional



ACTIVITY REVIEW

Head Office

Overview and Strategy

The Head Office Unit was created within the scope of the organisational change implemented in March 2024, aiming to split the Haitong Bank Group activities into several units, most of them corresponding to geographical units – Spain, Poland, the UK, Brazil, Macau, and Paris – in order to improve accountability and increase cost transparency.

The Head Office Unit is one of the four units located in Portugal (in addition to the Portugal Branch, Fixed Income, and HGAM) and mainly includes:

- Treasury activities, performed on a group-wide basis (except for Haitong Brazil, which manages its own treasury);
- Deposits from the Online Banking activity, particularly the ones sourced through the Bank's own retail deposit platforms;
- The Corporate and Project Financing Coordination Unit (HO); and
- Part of the China-related business originated together with Guotai Haitong Group and executed by Haitong Bank.

The Head Office Unit also comprises the operating costs of the Control and Support Functions, with certain costs being allocated to other geographies, according to the internally established transfer pricing rules.

BUSINESS LINES

- ✓ Treasury
- ✓ Deposits
- ✓ China-related business
- ✓ Corporate and Project Financing Coordination Unit (HO)

BANKING INCOME ¹

6.3 million euros

¹ Source: Haitong Bank (Management Information from June 2026; non-statutory figures)

Activity Highlights

On the **Treasury** side, throughout the first half of 2026, the Bank maintained a comfortable liquidity position, supported by a well-balanced and diversified funding profile. Treasury activities continued to focus on improving the quality and competitiveness of the Bank's retail deposit offering, while optimising the use of eligible collateral to access secured funding through repurchase agreements, thereby supporting the financing of securities portfolios in the money markets. Treasury continued to actively manage a portfolio of High-Quality Liquid Assets (HQLA), optimising the return on liquidity reserves while maintaining prudent liquidity buffers. The following activities should be highlighted:

- **Collateral Management**

During the first half of 2026, the Bank continued to make active use of eligible collateral to secure market funding and implemented several initiatives to expand and diversify its network of repurchase agreement counterparties, thereby enhancing funding flexibility and market access.

- **Eurosystem Refinancing**

The Bank continued to closely monitor developments in the European Central Bank's monetary policy framework and further expanded its pool of eligible assets, strengthening its capacity to access Eurosystem refinancing operations and enhancing funding resilience.

- **Retail Deposits**

The Bank continued to implement initiatives aimed at enhancing the quality and competitiveness of its retail deposit offering, particularly through its proprietary digital banking platform, while also assessing opportunities in new markets. Retail deposits remained a stable and reliable source of funding, contributing favourably to the Bank's Net Stable Funding Ratio (NSFR) and Liquidity Coverage Ratio (LCR). Launched in 2024, the Bank's own Online Banking platform has attracted online deposits mostly from retail customers, further supporting the Bank's efforts to diversify funding sources.

Haitong Bank is currently implementing a business collaboration framework with its Shareholder to expand joint business opportunities across various products and regions. This approach is designed to establish an effective **China-related business** within Haitong Bank, leveraging on Guotai Haitong Securities' unmatched strengths as a market leader in China, together with Haitong Bank's proven ability to execute transactions in offshore markets. Under this business collaboration several mandates were signed toward the end of the semester, with the corresponding revenue contribution expected to become more visible in the second half of 2026.

The **Corporate and Project Financing Coordination Unit (HO)** was created on 1 June 2026, with the objective of strengthening coordination across the Corporate and Project Financing teams of different business units, improving efficiency, and ensuring a more consistent market approach. Its purpose is to manage the global Corporate and Project Financing pipeline, allocate transactions across geographies, and support deal structuring, pricing and execution.

2H2026 Outlook

The Bank's priorities for the remainder of 2026 include the prudent management of funding costs and the preservation of a stable, diversified, and resilient funding profile. Funding activities will focus on the following strategic guidelines:

- **Retail Funding:** Continue rebalancing the funding mix between external online deposit platforms and the Bank's proprietary digital banking channel, with the objective of increasing the contribution of the latter to the overall funding structure;
- **Long-term Funding:** Broaden access to longer-term funding instruments, including syndicated loans and other secured and unsecured funding sources, to strengthen balance sheet resilience and support the Bank's strategic growth objectives;
- **Collateral Management:** Maintain the active mobilisation of eligible collateral to secure competitive money market funding and ensure efficient and reliable access to liquidity under a wide range of market conditions.

In terms of China-related business, the expectation is to increase the execution of mandates with the Guotai Haitong Group.

As for the Corporate and Project Financing Coordination Unit (HO), it should consolidate its pursue of consistency in the market approach as well as internal coordination, while monitoring the global portfolio and key risks related to corporate and project financing.

Portugal

Overview and Strategy

The Portugal unit incorporates all corporate and investment banking business in Portugal, leveraging on a long-standing market franchise. The business unit offers a combination of expertise in four business areas: Corporate and Project Financing (“C&PF”); Capital Markets; M&A Advisory; and Corporate Derivatives.

C&PF’s activities continued to be concentrated in that Division’s core areas, namely corporate financing, acquisition finance, project finance, real estate finance and loan agency services. Within the scope of C&PF, the Bank consistently positions itself as a solutions-oriented partner, adopting a flexible and constructive approach tailored to delivering value-added transactions. This strategic focus enables Haitong Bank to address complex client needs and preserve its reputation as a trusted financial partner.

As for the Capital Markets business, it remained focused on debt products, particularly commercial paper programmes, retail and institutional bond issuances, and cross-border EUR and USD bond structuring and underwriting, while selectively assessing participation in equity business opportunities where Haitong Bank’s structuring, distribution, and execution capabilities can add value to clients.

In M&A Advisory, the Portugal unit’s strong client coverage remains a key differentiating factor in the origination of both local and cross-border M&A mandates. This strong domestic knowledge, combined with Haitong Bank’s international platform and presence across other countries and regions, including Asia, enhances its ability to identify strategic opportunities and support transactions with a meaningful cross-border dimension.

The Corporate Derivatives team plays an important role in supporting clients’ risk management needs by providing tailored hedging solutions across foreign exchange, interest rates, and commodities. Through a consultative and client-focused approach, the team helps corporates identify, assess, and mitigate market risks associated with their operating activities, financing structures, and international exposure, reinforcing Haitong Bank’s positioning as a trusted partner in the design and execution of risk management strategies.

BUSINESS LINES

- ✓ Corporate and Project Financing
- ✓ Capital Markets
- ✓ M&A Advisory
- ✓ Corporate Derivatives

BANKING INCOME ¹

3.2 million euros

¹ Source: Haitong Bank (Management Information June 2026; non-statutory figures)

Activity Highlights

In the first half of 2026, Haitong Bank's Portugal unit delivered a resilient performance across its main business areas, despite a more demanding market environment marked by competitive lending conditions, subdued capital markets activity, slower M&A execution, and continued macroeconomic uncertainty. Its activity remained focused on selective origination, disciplined execution, and proactive client engagement.

The **Corporate and Project Financing** activity maintained a positive contribution in Portugal. The prudent management of the Bank's portfolio of loans and agency services remained a priority for the C&PF activity from both risk and return perspectives. The Bank maintained its focus on proactive portfolio monitoring, with the aim of ensuring the stability and profitability of its credit operations.

The period continued to be marked by a highly competitive lending environment and ongoing pricing pressure, which demanded a selective approach to origination and a continued focus on transactions presenting an adequate risk-return profile.

Despite these market conditions, Haitong Bank's C&PF activity sustained its position in the Portuguese lending market, leveraging its extensive experience, recognised structuring capabilities and longstanding track record. The business remained focused on delivering value-added solutions to clients, while maintaining an active dialogue with sponsors, corporate and institutional investors.

During the first semester of 2026, the team continued to pursue new and specially targeted financing opportunities, while reinforcing client dialogue and preparing transactions expected to support activity in the second half of the year. During this period, two new deals were successfully closed, while several other transactions have been originated across the energy, infrastructure, and real estate sectors.

The C&PF activity continued to benefit from Haitong Bank's ability to structure tailor-made solutions and from its track record in complex lending transactions. This positioning remains particularly relevant in a market where clients increasingly value execution certainty, flexibility, and a constructive approach from financing partners.

Haitong Bank's **Capital Markets** team in Portugal acted as Sole Global Coordinator in the Sport Lisboa e Benfica – Futebol, SAD's EUR 65 million bond issue. This was the 14th bond issued by Benfica that was led by Haitong Bank. Notably, it was the first time Benfica SAD had accessed the market through a public offer with a five-year maturity. The bond, which carried a 4.65% coupon, attracted strong investor demand, with the combined public subscription and exchange offers generating EUR 88.1 million in orders, equivalent to 1.4 times the amount issued. This successful transaction further reinforced Haitong Bank's leading position in the Portuguese Debt Capital Markets and demonstrated its continued ability to originate and execute landmark transactions for domestic issuers.

Following a record-breaking performance of the global Debt Capital Markets in 2025, market activity continues to show resilience despite a more challenging backdrop. By the end of the first half of 2026, European Investment Grade issuers had raised approximately EUR 1.05 trillion, compared with EUR 1.0 trillion during the same period in 2025. This growth was mainly driven by a 16% year-on-year increase in sovereign issuance, while volumes across all other sectors remained broadly stable. Debt Capital Markets activity in Portugal was relatively subdued during the period, with Portuguese issuers launching only two public bond offers and one private placement.

During the first semester of 2026, Haitong Bank remained active in Portugal's **M&A** market, continuing to provide advisory services across several ongoing M&A transactions, namely in the renewable energy, construction, industrial manufacturing and industrial services sectors. While transaction execution progressed at a slower pace and some processes were postponed in response to a more cautious market environment, the Bank maintained an active pipeline of financial advisory mandates and continued to support clients throughout the execution of these transactions.

In Portugal, the M&A market experienced a material slowdown during the first half of 2026. Based on announced transactions, aggregate deal value declined by 64% year-on-year to EUR 2.6 billion, while deal volume decreased by 20% to 112 transactions, reflecting an environment of heightened geopolitical and macroeconomic uncertainty.

In the first half of 2026, the **Corporate Derivatives** team maintained significant activity in foreign exchange hedging, with a particular focus on its Electronic FX Platform, which continues to establish itself as the Bank's main technological offering in the European market.

Commodity and interest rate hedging activity remained constrained by a still challenging macroeconomic environment and by significant volatility levels in global markets, leading many companies to adopt a selective and prudent approach to the execution of new transactions. However, interest rate market dynamics gained greater relevance towards the end of the semester, after the European Central Bank ("ECB") increased its three key policy rates by 25 basis points in June 2026, bringing the deposit facility rate to 2.25%, the main refinancing operations rate to 2.40%, and the marginal lending facility rate to 2.65%, amid renewed inflationary pressures and heightened macroeconomic uncertainty. This change in the environment helped reinforce the area's commercial focus on originating interest rate hedging transactions, in coordination with Senior Bankers, seeking to identify clients with exposure to medium- and long-term financing and a need for protection against additional upward rate movements. In parallel, collaboration with the C&PF team continued to support the origination of risk hedging transactions associated with financings, strengthening a consistent pipeline of opportunities, particularly in interest rate hedging.

SPORTS & ENTERTAINMENT PORTUGAL  BENFICASAD Public Bond Subscription and Exchange Offers € 65,000,000 Sole Global Coordinator 2026 	CONSUMER & RETAIL LUXEMBOURG / PORTUGAL  CVC CAPITAL PARTNERS MC Sonae Syndicated Loan Agreement 5Y Senior Secured Lender 2026 	CONSTRUCTION & REAL ESTATE PORTUGAL  Confidential Sponsor Real Estate Development Loan € 10,000,000 Lender, Arranger 2026 
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2H2026 Outlook

The outlook for the second half of 2026 remains constructive across the Portugal unit's main product areas, supported by a diversified pipeline, continued client engagement, and a selective approach to origination and execution. C&PF is expected to benefit from ongoing financing opportunities and proactive portfolio management, while Capital Markets should remain focused on debt products and selected issuance windows amid a still volatile market environment. In M&A Advisory, activity is expected to gradually recover as ongoing mandates progress and market visibility improves, while Corporate Derivatives should continue to support clients' risk management needs.

In C&PF, the outlook for the coming months remains positive, underpinned by a robust and diversified pipeline of new transactions. Several deals currently in the pipeline are expected to progress towards completion during the second semester, supporting the achievement of the annual business objectives, subject to internal approvals, market conditions, and successful execution.

Capital Markets are expected to remain active, although issuance conditions may become more challenging and increasingly sensitive to macroeconomic and geopolitical developments. In Europe, weaker growth, renewed inflationary pressures, and data-dependent monetary policy are expected to shape the outlook. Ongoing Middle East tensions, energy-price volatility, and potential inflation effects may impact DCM issuance, including in Portugal.

Portugal's M&A market is expected to gradually regain momentum during the second half of 2026, supported by the progression of transactions already under execution. Mid-market transactions are expected to remain the main driver of activity, particularly across sectors such as energy transition, infrastructure, industrials, and business services. Haitong Bank remains well positioned to capitalise on these opportunities through its active pipeline of advisory mandates, established sector expertise, and strong local presence in the Portuguese market.

The Corporate Derivatives team's focus is expected to be mainly on interest rate hedging. Following the recent increase in policy rates by the ECB and with Euribor rates at higher levels for the 3, 6, and 12-month tenors at the beginning of July 2026, the market remains sensitive to the possibility of a more restrictive monetary policy stance being maintained or further rate increases occurring, should inflationary pressures persist. In this context, the area anticipates an acceleration in business volume captured through interest rate hedging solutions, particularly among clients seeking to lock in financing costs at levels still considered attractive before a potential further deterioration in market conditions. Collaboration with the C&PF team is also expected to remain pivotal, enabling interest rate hedging to be integrated into financing and refinancing processes from an early stage. The team will also focus on developing relationships with clients exposed to commodities, while maintaining the high-quality standards of its Electronic FX Platform.

Spain

Overview and Strategy

Spain is a business unit fully aligned with the Haitong Bank Group's strategy and has consistently posted positive financial results throughout the years.

This business unit benefits from the expertise of a dedicated local team with state-of-the-art execution capabilities and strong ties with the Spanish business community, as well as with leading global financial institutions.

The Spain unit offers complete investment banking services in Corporate and Project Financing (CP&F), Mergers and Acquisitions (M&A) Advisory, Debt Capital Markets (DCM), and Corporate Derivatives to large and medium-sized companies and investors active in Spain or scanning the Spanish market for investment opportunities.

The Spain unit has successfully seized the China-driven business, holding a leading position in the China cross-border M&A segment following the completion of numerous landmark transactions throughout the years.

This business unit also offers deposits to corporate clients, institutional investors and retail clients (the latter through online platforms), being an important source of funding for the Bank as a whole.

BUSINESS LINES

- ✓ Corporate and Project Financing
- ✓ Capital Markets
- ✓ M&A Advisory
- ✓ Corporate Derivatives
- ✓ Deposits

BANKING INCOME ¹

2.3 million euros

¹ Source: Haitong Bank (Management Information June 2026; non-statutory figures)

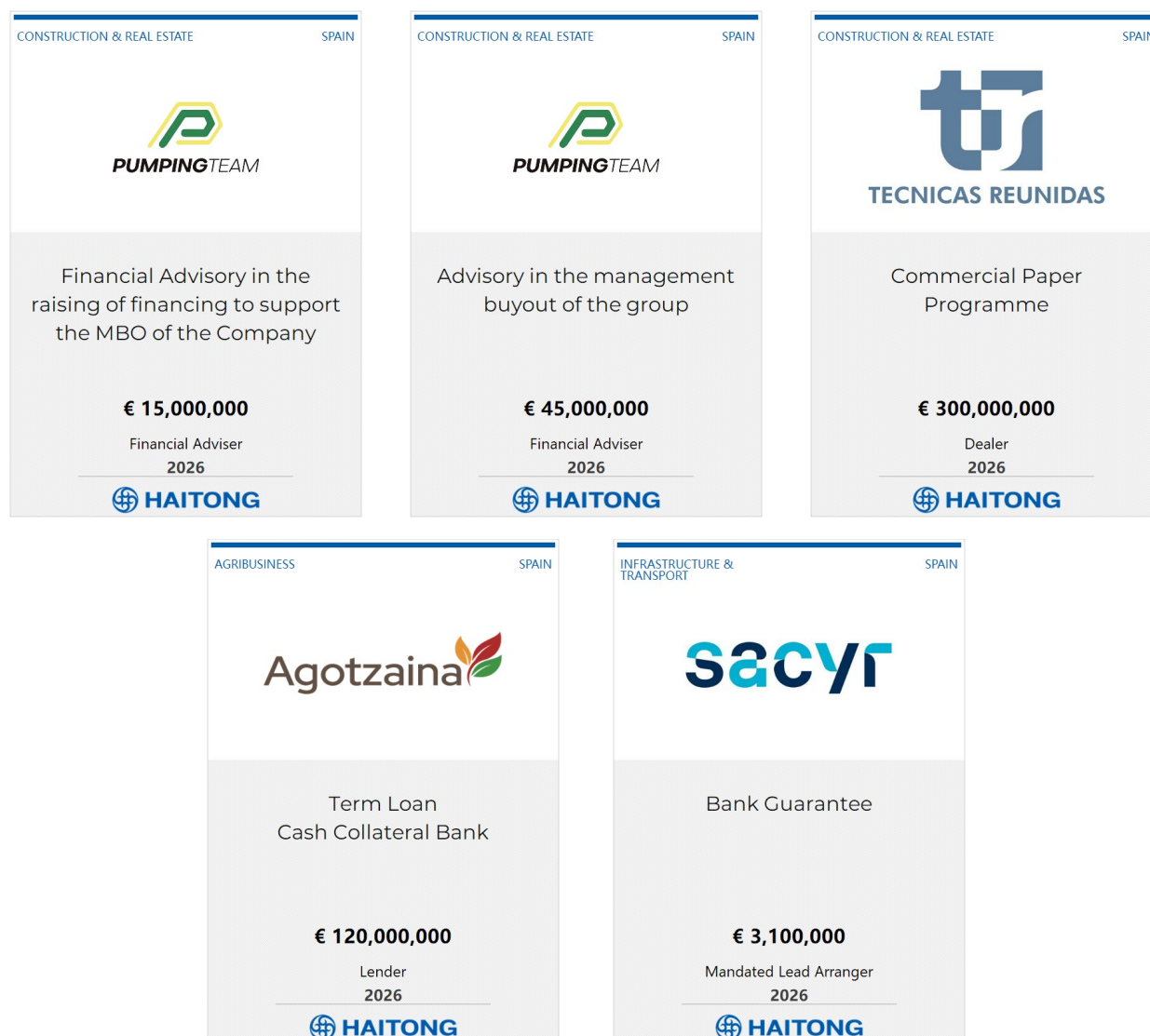
Activity Highlights

The Spain unit had a strong performance in the first half of 2026, achieving positive results both in terms of Net Interest Margin and Net Income.

This performance was mainly driven by the growth of the Corporate and Project Financing activity, which benefited from the significant increase in credit deployment in 2025 and the syndication activity in the first half of 2026. The Corporate and Project Financing business was developed under a rigorous credit risk management, focusing on established industries with prudent leverage levels and maintaining stringent oversight of the Bank's credit risk exposure within its lending portfolio.

This positive financial performance has also been reinforced by the Spain unit's financial advisory work on PumpingTeam's Management Buy-Out (MBO), a transaction in which both the DCM and the M&A areas performed leading decisive advisory roles.

Deposits declined significantly in the first half of 2026, particularly in the retail segment, reflecting a more conservative pricing approach for this product. Consequently, the Spain unit reached a total volume of deposits of EUR 631 million by the end of the first half of the year.



2H2026 Outlook

Notwithstanding the uncertainties and the inflationary impact generated by the Iran War in the first half of the year, the Spanish economy has portrayed a strong resilience, keeping its growth path. This expansion has been driven by robust private consumption, continued employment creation and a rebound in external demand, particularly from non-tourism service exports such as financial services and technological solutions. This positive pace is set to continue in the second half of 2026 and in 2027, period in which the Spanish economy is projected to lead the Eurozone in growth, with GDP increases of 2.3% in 2026 and of 1.7% in 2027.

Corporate and Project Financing activity is expected to have a moderate growth in the second half of the year, supported by a robust economic outlook, the credit cycle upward trend and the growth experienced by private credit of non-bank lenders.

Spanish domestic M&A is set to remain relatively strong, particularly in infrastructure, energy transition, digital infrastructure, healthcare and industrial consolidation. Cross-border activity involving China and Spain is also likely to increase, but primarily through renewables, automotive mobility, industrial technology and strategic partnerships rather than large transformational acquisitions. The most attractive opportunities are likely to emerge in energy transition, EV-related supply chains, infrastructure and industrial technology, where Spain offers both strategic assets and a supportive long-term growth outlook.

Within the EU, Spain will continue to be one of the most strategic markets for Chinese investment due to its relevant size, privileged position in Europe, amicable regulatory environment, and the fact that it acts as a key gateway to Latin American countries.

Global financial markets are expected to remain broadly positive in the second half of 2026 and throughout 2027, supported by moderate global growth, easing inflation and gradually more accommodative monetary policies. Investors are likely to benefit from a combination of global growth, resilient corporate earnings, attractive fixed income yields and improving financing conditions. However, market performance will remain sensitive to geopolitical developments, higher interest rates, energy-price shocks, trade tensions and any disappointment in AI-driven productivity gains, which are currently a key pillar of growth expectations thus requiring a carefully balanced approach in terms of risk-taking.

Poland

Overview and Strategy

In alignment with the Haitong Bank Group's strategy, the Poland unit has maintained a stable and strong performance for several consecutive years. The overall strategic direction remains unchanged, with the business unit continuing to focus on its established business model and client franchise.

The Poland unit's strategy is to connect clients and business opportunities across Poland, Central Europe and China, leveraging established regional relationships and the Group's international capabilities. As a fully licensed branch, with a dedicated team of around 40 professionals based in Warsaw, this business unit is recognised for delivering high-quality and efficient services, aligned with high standards and best market practices.

The team in Poland is an integral part of Haitong Bank's global operations, leveraging the Group's extensive global experience, broad investor base, and significant international reach. Over the years, the Poland Unit has also showcased its expertise in Mergers and Acquisitions (M&A), facilitating cross-border transactions between China and markets across Central Europe.

The Poland unit's business model continues to be based on a balanced revenue mix, offering a comprehensive range of investment banking services, including Corporate and Project Financing (C&PF), M&A Advisory, Fixed Income, Debt Capital Markets (DCM), Corporate Derivatives, and Deposits. These services are tailored to the needs of large and mid-sized enterprises and investors operating in Poland, supporting clients in achieving their strategic, financing, and risk-management objectives.

While the core strategy has not changed, the Poland unit has expanded its investment activity to include Polish government bonds. This new area offers an attractive risk-adjusted return opportunity, supported by the current interest-rate environment and the strong credit profile of sovereign instruments. The investment in Polish government bonds complements the existing business model and enhances the unit's ability to generate stable income while maintaining a prudent risk approach.

BUSINESS LINES

- ✓ Corporate and Project Financing
- ✓ Fixed Income
- ✓ M&A Advisory
- ✓ Debt Capital Markets
- ✓ Corporate Derivatives
- ✓ Deposits

BANKING INCOME ¹

3.9 million euros

¹ Source: Haitong Bank (Management Information June 2026; non-statutory figures)

Activity Highlights

The Polish financial market remained highly competitive in the first half of 2026. Despite global geopolitical headwinds, i.e. energy price volatility related to Middle East tensions and continuous war in Ukraine, the Polish economy demonstrated remarkable resilience with a stable 3.5% GDP growth driven by private consumption and accelerated absorption of EU funds, a cooled down inflation at 2.5%, and an unemployment rate below the EU average.

The Polish financial market was driven by stabilization priorities from Poland's National Bank, which established a slightly lower key reference rate at 3.75%. Moreover, the systemic over-liquidity surplus in the banking sector led to further strengthening the financial industry and to an increasingly more tense high-competition environment. Conversely, industrial manufacturing companies remained under persistent pressures in terms of base line cost, driven by energy costs and payment backlogs.

Poland unit's focus was kept on the maintenance of client relationships. Its investment banking activities have primarily revolved around financing via the Corporate and Project Financing and Debt Capital Markets activities, as well as financial advisory services offered by the M&A team. These services have been complemented by local Treasury products, including deposits offered to corporate clients and financial institutions and derivatives related to financing.

The **Corporate and Project Financing (CP&F)** business in Poland continued to grow its activities in the first half of 2026, providing financing and corporate guarantees to corporate clients operating in Poland. The portfolio of outstanding assets remained well diversified among industries such as TMT, Real Estate, Construction, Transportation, and Financial Institutions.

In the first half of 2026, the Haitong Bank Poland unit actively contributed with new credit assets to the Bank's credit portfolio particularly from the financial industry. Based on the strong and recurring cooperation between Bank units, further projects related to the financial industry are expected to continue throughout 2026.

As for the **Debt Capital Markets (DCM)** business in Poland, it remained focused on the origination and execution of domestic bond issues, as well as on the facilitation of the outstanding bonds arranged by Haitong Bank.

The DCM business in Poland remained under pressure due to the over-liquid commercial banks market and consequently was very competitive in terms of the financing offered to companies in the country. Corporate bond yields showed a declining trend, alongside a drop in the number of issuances despite an increase in the value of individual tranches.

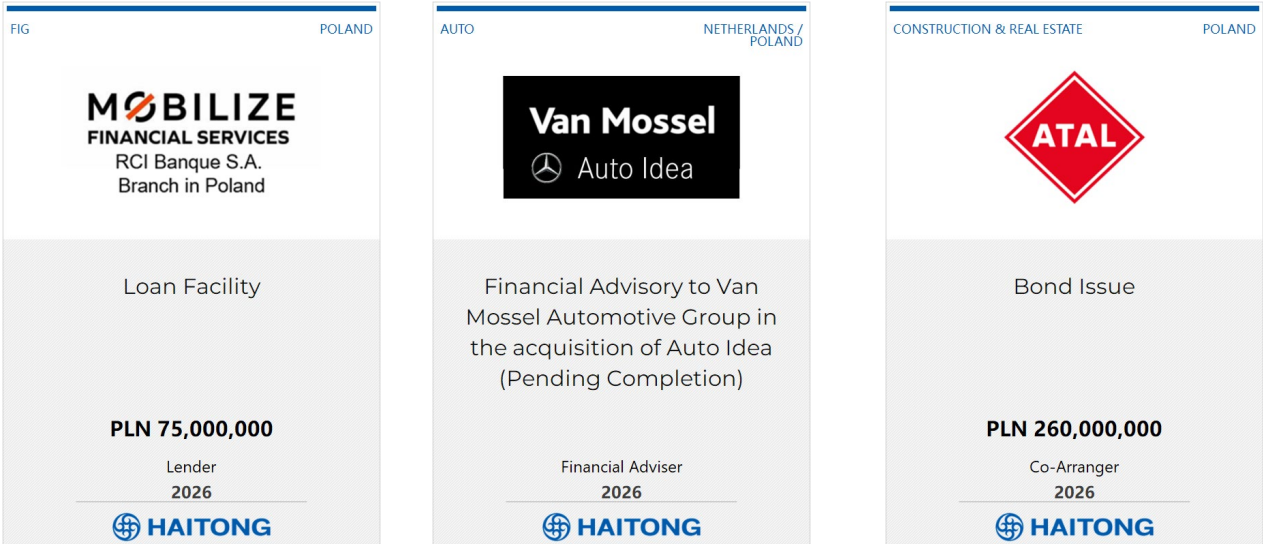
In the first half of 2026, the Warsaw DCM team acted as a Co-Arranger with the biggest domestic banks in Poland for a bond issue for Atal, a company in the real estate sector. The underwriting capacity of Haitong Bank enabled issuers to both maximise the size of the issues and optimise the cost of capital raised from the market.

In the first half of 2026, the European **M&A** market was affected by the continued slowdown in major EU economies, while global market sentiment was further dampened by geopolitical tensions in Iran and renewed inflationary concerns. The Polish M&A market reflected this cautious environment, suggesting that deal activity may have reached a low point in both the EU and Poland, ahead of an expected gradual recovery in the second half of 2026.

Despite stable investor interest, the M&A team in Warsaw faced material challenges, including a highly competitive local market, weaker expansion capacity of Chinese firms, global tensions, and valuation mismatches. Nevertheless, the team continued to cooperate closely with other Guotai Haitong Group entities globally: its high competence in complex cross-border transactions – increasingly explored not only between Poland and China but also across the wider CEE region – was demonstrated again in the first half of 2026.

During this semester, the Warsaw M&A team successfully acted as the financial advisor to Van Mossel Automotive Group – one of Europe’s largest automotive retail networks – on its strategic entry into the Polish market through the acquisition of Auto Idea, a major domestic Mercedes-Benz dealership group. The transaction received anti-trust approval in June and is scheduled to close at the start of the second half of 2026. Additionally, the Warsaw M&A team is currently executing a pipeline of ongoing projects across various sectors, spanning multiple stages of development.

Overall, the first half of 2026 was marked by significant activity for Haitong Bank’s Poland unit, with a particular emphasis on advancing the unit’s strategic priority of expanding the balance sheet in an increasingly competitive market environment.



2H2026 Outlook

The economic outlook for Poland remains positive, with GDP growth expected to be supported by further heavy deployment of EU funds allocated to public infrastructure, defence and energy transition. Investment activity among private corporates is expected to remain modest, with recent communications from Poland's monetary policymakers indicating a continued pause in interest rate adjustments. During the second half of 2026, domestic financial markets are expected to be defined by the maintenance of high liquidity of the banking industry, with a steady flow of local capital into equity and debt capital markets. Nevertheless, the Polish team expects margins to start compressing, while NPL ratios are likely to remain at historically low levels across the banking sector.

In the second half of the year 2026, the Warsaw team will work on expected refinancings of the outstanding assets both in the debt financing and DCM areas. New projects under analysis will allow the unit to pursue the expansion of its balance sheet by providing short and medium-term lending, as well as investments in corporate bonds. The ongoing new mandates refer to guarantees and DCM and credit facilities in the construction, renewable energy, engineering, and financial sectors.

The M&A market is expected to improve gradually in the second half of 2026. The Poland unit will continue to develop ongoing projects in the renewable energy, food, pharmaceuticals, consumer goods, and IT sectors, while remaining well positioned to capture new emerging opportunities in Central and Eastern Europe.

United Kingdom

Overview and Strategy

Haitong Bank's UK unit capitalises on its in-depth knowledge of both the UK and international markets, focusing on two core business pillars: Corporate and Project Financing (C&PF) and Mergers & Acquisitions (M&A) Advisory. Supporting a diverse client base across the UK and international markets, the unit provides tailored advice and solutions to help clients navigate complex financing requirements and cross-border transactions.

The Corporate and Project Financing business offers a broad range of financing solutions across multiple sectors, including corporate lending, project and acquisition financing, as well as asset-backed lending. With multinational corporates, institutional investors and private equity sponsors as its main clients, the London-based team has extensive experience in originating, structuring, arranging, and funding complex transactions across a variety of asset classes and jurisdictions. The Corporate and Project Financing team seeks to provide clients with both the capital and strategic expertise required to support growth and development throughout the business lifecycle. This unit has been executing multi-currency C&PF transactions across the UK, US and other selected European markets.

The M&A business provides a comprehensive suite of advisory services across both buy-side and sell-side mandates. These services include strategic advice on mergers and acquisitions, valuation, feasibility analysis and transaction structuring. The team plays an important role in assisting international and Chinese corporates, together with financial sponsors, in identifying, evaluating and executing growth opportunities both within the UK and across international markets.

The UK unit is a trusted partner, combining strong local market expertise with a global perspective. By leveraging its established presence in the UK alongside broad international capabilities, Haitong Bank's UK unit delivers bespoke and flexible solutions tailored to the unique requirements of each client. Its continued focus on excellence, long-term client relationships, and value creation further reinforces its position as a reliable and forward-looking financial institution.

BUSINESS LINES

- ✓ Corporate and Project Financing
- ✓ M&A Advisory

BANKING INCOME ¹

1.2 million euros

¹ Source: Haitong Bank (Management Information June 2026; non-statutory figures)

Activity Highlights

Overall activity during the first half of 2026 remained resilient despite a mixed macroeconomic backdrop. Easing inflation and gradually lower borrowing costs supported financing activity, while heightened geopolitical tensions and volatility in energy markets reinforced investment in strategic infrastructure and energy-related assets. Financial markets benefited from greater visibility on the interest rate outlook compared with previous years, supporting renewed borrower confidence and sustained investment activity across infrastructure, energy transition and core corporate sectors. Against this backdrop, Corporate and Project Financing activities in particular maintained positive momentum, driven by refinancing requirements, new investment projects and continued demand for flexible capital solutions.

Financing markets remained highly competitive throughout the period as lenders sought to deploy liquidity across a broad range of sectors. Refinancing activity continued to represent a significant share of deal flow, as borrowers took advantage of improving funding conditions to optimise capital structures and extend debt maturities. At the same time, investment activity remained robust across infrastructure, renewable energy, battery storage, digital infrastructure, and transportation assets, reflecting continued demand for assets aligned with long-term growth trends.

During the first half of the year, the **Corporate and Project Financing** team remained actively engaged in evaluating and executing financing opportunities across infrastructure, energy, real estate, and corporate sectors. Particular emphasis was placed on infrastructure, energy and energy-transition investments, including participation in the refinancing of a portfolio of operating natural gas-fired power generation assets supported by long-term contracted revenues, as well as the financing of a large-scale liquefied natural gas export and processing project. These transactions reflect continued investor interest in assets that underpin energy security, facilitate the energy transition and provide long-term cash flow visibility. The breadth of sector coverage enabled the unit to maintain a diversified opportunity pipeline while adhering to a disciplined underwriting and risk management framework.

Regarding **M&A** activity, the first semester of 2026 saw a gradual improvement in market sentiment compared with the previous year. Lower financing costs, improving capital market conditions, and greater valuation stability contributed to increased dialogue between strategic buyers, financial sponsors, and corporate sellers. While transaction execution timelines remained relatively extended, particularly for larger cross-border deals, deal pipelines strengthened across several sectors.

Activity continued to be concentrated in sectors benefiting from long-term structural trends, including technology, digital infrastructure, energy transition, industrials, and business services. Corporate buyers remained focused on strategic acquisitions that supported growth, operational efficiency and technology enhancement, while private equity investors selectively pursued opportunities where valuation expectations became better aligned with prevailing market conditions.

2H2026 Outlook

Looking ahead to the second half of 2026, the outlook for the UK economy remains cautiously positive. While inflationary pressures are expected to ease over the medium term, the path back to the Bank of England's target remains subject to external factors, including energy price developments. Interest rates are expected to continue trending lower as inflation softens, providing support for business investment, capital markets activity, and consumer spending. Although economic growth is expected to remain moderate, improving financial conditions should support transaction activity across multiple sectors.

Geopolitical tensions, trade-related uncertainty, and the potential implications of fiscal consolidation across major economies remain key risks to the outlook requiring close monitoring. However, these challenges are expected to be partly mitigated by sustained investment in infrastructure, energy transition, and digital assets, which remain key policy and investment priorities in the UK and Europe.

For financing markets, refinancing activity is expected to remain a significant driver of transaction volumes, while investment opportunities in infrastructure, power, energy transition, battery storage, transportation, and digital infrastructure should continue to attract strong lender and investor interest. Improving financing conditions may also provide additional impetus for acquisition financing and sponsor-backed transactions.

The outlook for M&A activity is similarly constructive. A more conducive funding environment and resilient corporate fundamentals should support transaction execution, while corporate balance sheets and private equity capital remain substantial sources of potential deal activity. Sectors linked to technology, energy transition, digital infrastructure, and industrial transformation are expected to remain key areas of focus.

Against this backdrop, the UK unit enters the second half of 2026 with a solid pipeline of financing and advisory opportunities. The team remains focused on deepening client relationships, expanding sector coverage, and delivering tailored solutions across Corporate and Project Financing and M&A activities. By maintaining a disciplined and client-centric approach, the business unit is well positioned to support client growth objectives while further strengthening the Bank's franchise in the UK market.

Macau

Overview and Strategy

The presence in Macau serves as a strategic gateway for Haitong Bank to access Chinese and broader Asian-Pacific markets, reinforcing its position as a Chinese owned investment bank headquartered in Portugal. This business unit also enhances connectivity within Haitong Group, converting synergies and business opportunities into dynamic business growth.

The Macau unit employs a team of professionals who have been instrumental to the unit's growth. Over the years, the team has achieved significant milestones, including the establishment and consolidation of its core banking products: Debt Capital Markets (DCM) and M&A.

The Macau unit's proven capabilities, coupled with its ability to capture business flows in key Asian markets, position it as a pivotal contributor to the achievement of the strategic goals of Haitong Bank. These include balance sheet growth through the origination of productive assets, diversifying revenue streams, and strengthening recurring income.

The Macau unit continues to align its strategic focus with Haitong Bank's broader objectives, prioritising cross-border financial services with a China and Asian orientation. To achieve these goals, the Macau unit is set to increase its business scope and product offering, starting with deposits and financing products in the near future. This vision fuels the Macau unit's ambition of becoming a leading financial institution in Macau.

BUSINESS LINES

- ✓ Debt Capital Markets (DCM)
- ✓ Fixed Income
- ✓ M&A Advisory
- ✓ Corporate Solutions
- ✓ Deposits ²

BANKING INCOME ¹

2.1 million euros

¹ Source: Haitong Bank (Management Information June 2026; non-statutory figures)

² Under Implementation

Activity Highlights

The Macau unit continued to execute its business with a focus on cross-border opportunities connecting Mainland China, Hong Kong, Macau, Asian Pacific, and selected international markets. In the first half of 2026, the unit maintained momentum across Debt Capital Markets, Fixed Income, Corporate Solutions, and M&A Advisory, while advancing on initiatives designed to broaden its funding base and support the next phase of growth.

In **Debt Capital Markets (DCM)**, the unit participated in a diversified range of cross-border bond issuances, acting as Joint Global Coordinator, Joint Lead Manager and Joint Bookrunner, Placement Agent, or Dealer. Transactions were predominantly for Mainland Chinese and Hong Kong issuers, denominated in CNY and USD and listed mainly on MOX and the Hong Kong Stock Exchange.

This unit participated in 16 bond issuances during the first half of 2026, totalling approximately USD 1.78 billion in USD-denominated bonds and CNY 4.68 billion CNY-denominated bonds, demonstrating continued ability to execute transactions across both international and renminbi capital markets. Notable transactions included Qingdao Pingdu Holdings Group's USD 200 million social bond issue, Longkou Urban Rural Construction Investment Development's CNY 750 million bond issue, and Huafa Investment Holding's CNY 500 million bond issue.

The unit also expanded its cross-border **M&A** pipeline across Europe and Asia, with buy-side and sell-side assignments. During first half 2026, the business unit executed a sell-side mandate with an estimated transaction value of approximately USD 200 million, and several buy-side opportunities involving targets in Portugal, Spain, France, and other jurisdictions.

Fixed Income remained a key contributor to the unit's activity during the first half of 2026. The team maintained an active presence in both flow trading and syndication activities, while continuing to provide broad two-way pricing coverage across its bond universe. Through sustained market engagement and client-focused execution, the Fixed Income business reinforced its market presence and client relationships, delivering performance in line with prevailing market conditions.

The **Corporate Solutions** team tried the best to bridge Chinese or Asian pacific clients with the global financial market through knowledges in a variety of financial products such as project financing and acquisition financing, among others.

In parallel, the Macau unit progressed on the preparatory works for the future launch of **deposit-taking** activities. The initiative is intended to diversify funding sources, deepen corporate and Group-related client relationships, and support a more balanced business model, while maintaining a conservative risk profile and meeting applicable regulatory, operational resilience, and governance requirements.

SOE CHINA  山东发展集团 SHANGDONG DEVELOPMENT GROUP 3.9% Bonds due 2029 US\$ 240,000,000 Joint Lead Manager, Joint Bookrunner 2026 	SOE CHINA  民銀國際 CMBC INTERNATIONAL Bonds due 2029 US\$ 300,000,000 Joint Lead Manager, Joint Bookrunner 2026 	SOE CHINA QINGDAO PINGDU HOLDINGS GROUP CO., LTD. (青岛平度控股集团有限公司) 6.5% Social Bonds due 2029 US\$ 200,000,000 Joint Global Coordinator 2026 
SOE CHINA  华发集团 Huafa Group 科技 · 城市 · 金融 4.2% Bonds due 2029 ¥ 500,000,000 Joint Global Coordinator 2026 	SOE CHINA  交银金租 BOCOM Leasing SOFR+48bps Bonds due 2029 US\$ 750,000,000 Joint Lead Manager, Joint Bookrunner 2026 	SOE CHINA LONGKOU URBAN RURAL CONSTRUCTION INVESTMENT DEVELOPMENT CO., LTD (龙口市城乡建设投资发展有限公司) 3.5% Social Bonds due 2029 ¥ 750,000,000 Joint Global Coordinator 2026 

2H2026 Outlook

For the second half of 2026, the business unit will remain focused on disciplined execution across its core businesses, deepening cross-border client coverage and converting identified opportunities into completed transactions.

The Macau unit intends to further leverage the Group's origination and distribution capabilities, broaden its client and counterparty base, and maintain disciplined balance-sheet deployment.

The deposit-taking business is an ongoing strategic initiative intended to scale the unit, diversify funding and support a broader client proposition. The initiative is expected to go live in on the second half of 2026, subject to completion of the applicable regulatory, systems, operational, risk, and governance readiness requirements.

Overall, the Macau unit remains positioned to pursue sustainable growth, enhance revenue diversification and increase its contribution to Haitong Bank, while preserving prudent risk management and compliance standards.

Brazil

Overview and Strategy

Haitong Banco de Investimento do Brasil, S.A. (Haitong Brazil) is directly controlled by Haitong Bank, S.A. (80%), with the remaining 20% stake being held by Grupo Bradesco.

Haitong Brazil, based in São Paulo's financial hub, has been operating in the country since the year 2000. Aligned with the Haitong Bank Group strategic direction, the Brazilian subsidiary offers comprehensive financial solutions delivered by a team with extensive experience in the local financial market. The investment banking services include Corporate and Project Financing (C&PF), M&A Advisory, Debt Capital Markets (DCM), Fixed Income, and Corporate Derivatives for large and medium-sized companies operating in Brazil.

Treasury activities are also relevant for the Brazilian unit and include government and corporate bond portfolio management and funding, in addition to raising deposits denominated in BRL with corporate clients, institutional investors, and individuals.

The business unit provides services both within Brazil and on a cross-border scale, capitalising on opportunities throughout Latin America.

BUSINESS LINES

- ✓ Corporate and Project Financing
- ✓ Fixed Income
- ✓ Corporate Derivatives
- ✓ Treasury
- ✓ M&A Advisory
- ✓ Capital Markets
- ✓ Deposits

BANKING INCOME ¹

2.8 million euros

¹ Source: Haitong Bank (Management Information June 2026; non-statutory figures)

Activity Highlights

Given the Brazilian economic environment, driven by persistent inflation levels and fragile government fiscal policy leading to higher interest rates, in addition to the competitive conditions of the local financial system throughout the first half of 2026, Haitong Brazil adopted a more conservative operational approach, in accordance with the guidelines established by the Shareholder.

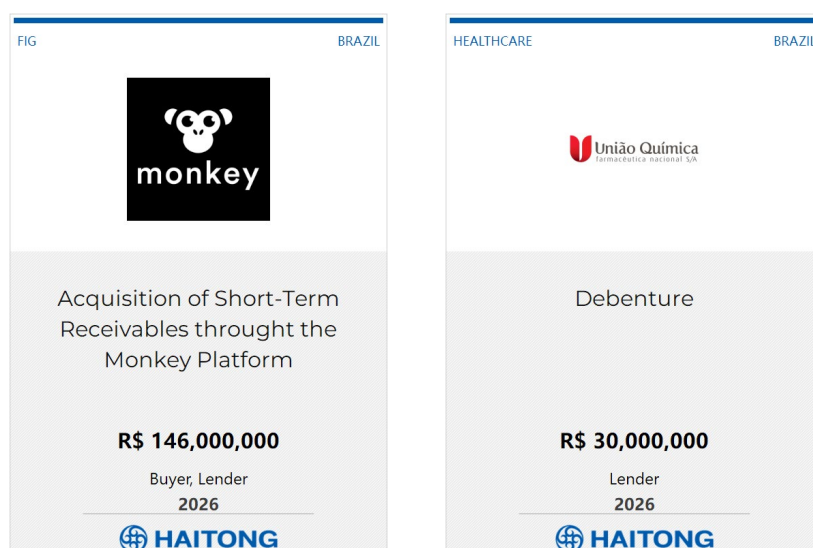
The **Corporate and Project Financing** activity evolved under a careful credit risk approach, focusing on well-established companies with sound credit metrics, and enhanced the monitoring of the outstanding loan portfolio. As in previous years, the Corporate and Project Financing activity faced challenging conditions due to pricing pressure and heightened competition in the lending markets. Banks continued to narrow their margins in the corporate segment, fuelled by a very liquid DCM market. Nevertheless, the Corporate and Project Financing activity was positive during the first half of 2026 and, in addition to exploring opportunities in Brazil, the area continued to look for transactions with a positive risk profile in other Latin American countries.

As for the **M&A** activity, it continued to face a highly competitive advisory market in Brazil, amplified during the first semester of 2026 by the lower number of transactions closed in the country. Nonetheless, the pipeline has improved with the securing of new M&A advisory mandates in the first semester of the year.

The **Corporate Derivatives** team focused its efforts on strengthening its offer of FX products and broadening the client base. To this end, a new automated system for quoting FX transactions has been developed, which expanded the area's reach.

With regard to the **Fixed Income** activities, which took place in a high-interest-rate environment, the Team has successfully built and managed a portfolio of government treasuries and corporate bonds, thus contributing to the Bank's overall results.

Additionally, throughout the first semester of 2026 and via its **Treasury** Division, the Bank in Brazil managed its liquidity and provided funding to business areas through resources raised in BRL from local investors, fully financing the local balance sheet. The rating issued by S&P to Haitong Brazil ("BB" on a global scale and "brAAA" on a local scale) has consistently supported the subsidiary's strategy of strengthening its investor engagement.



2H2026 Outlook

Looking ahead to the second half of 2026, a more stable macroeconomic environment and stronger market confidence will require tangible progress in fiscal consolidation, continued efforts to manage inflation, and the maintenance of a predictable investment environment, which may be affected by geopolitical developments and the upcoming Brazilian presidential elections. Although challenging and highly competitive, the Brazilian financial system should remain robust and well-positioned to support the country's development.

Under this scenario, the Corporate and Project Financing team anticipates the execution of new transactions, while Treasury intends to further capitalise on opportunities in government securities, seeking to optimise funding costs while maintaining sound liquidity management. Within the M&A business, two transactions are currently in progress, with a favourable outlook for completion during the second half of the year.

In Corporate Derivatives, client base expansion remains a key challenge and strategic objective. Accordingly, Haitong Brazil will continue to invest in innovative product development, strengthen relationships with strategic partners, and identify new opportunities across a diversified range of industries.

Fixed Income

Overview and Strategy

Haitong Bank's Fixed Income Unit manages both the banking book and trading portfolios, while also acting as a tool for originating new transactions and as a distribution platform for fixed income products. By leveraging its local insight and international reach, the team facilitates cross-border deal flows and delivers tailored debt solutions to institutional clients worldwide, offering its services and capabilities to institutional clients across key international markets.

The unit's activities include:

- Fixed Income Banking Book;
- FI Trading and Market Making;
- Syndication and Institutional Sales.

Strategically, the Fixed Income unit has been increasing its presence and activity in the global fixed income market, making the management of investment books increasingly relevant to the Bank's overall business. In addition, the team has deepened its footprint within its client base, increasing business flows and the number of clients directly connected with the Bank's trading platforms. This approach has also contributed to further enhancing Haitong Bank's presence in Asian markets and reinforcing the Bank's role as a gateway to Chinese capital markets.

Supported by dynamic teams across multiple offices, the Bank is building a powerful cross-border execution hub, capturing new flows, expanding market share, and driving sustainable growth.

BUSINESS LINES

- ✓ Fixed Income Banking Book
- ✓ FI Trading and Market Making
- ✓ Syndication and Institutional Sales

BANKING INCOME ¹

6.3 million euros

¹ Source: Haitong Bank (Management Information June 2026; non-statutory figures)

Activity Highlights

Fixed Income Banking Book

In accordance with the objectives set for the banking book, the activity grew 5% YoY in first half 2026. The team made some additional investments when volatility peaked, and wider spreads were observed in credit markets in March/April.

The focus was on maintaining portfolio quality, with a preference for liquid assets and low-concentration, diversified portfolios. In the Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI) book, there was an increase in turnover as the team seized market opportunities throughout the semester.

The banking book portfolio delivered a return of 1.32% in the first half of 2026. This performance was supported by favourable conditions in international fixed income markets, with the benchmarks Euro Aggregate Index posting a return of 1.30% and its US equivalent recording a return of 6.18% during the period (versus 0.84% and 4.02%, respectively, in the same period of last year).

Trading and Market Making

The first half of the year was marked by the conflict between the United States and Iran, which drove energy prices higher, influencing monetary policy in the Eurozone through an increase in interest rates and reshaping expectations regarding future decisions by the U.S. Federal Reserve (Fed). Despite favourable inflation data in June, the potential end of the ceasefire could create new challenges for the recently appointed Fed Chair. At the beginning of 2026, markets were anticipating a possible reduction in interest rates; however, they now price in a rate increase as early as October this year.

The announcement of new tariffs, coupled with rising public debt levels across the major developed economies, has continued to exert upward pressure on market interest rates, contributing to a more volatile environment and more challenging trading conditions, despite the resilience demonstrated by credit markets. With credit spreads remaining at historically tight levels and with interest rates pressuring cash, investors have adopted a cautious stance, awaiting greater clarity regarding the evolution of the Strait of Hormuz conflict before increasing their risk exposure. In this environment, relative value trades playing the yield curve and spread trades, have been an alternative to pure directional options.

Syndication and Institutional Sales

The first half of 2026 was marked by a volatile market backdrop, driven by geopolitical tensions, energy-price volatility and shifting expectations around monetary policy. Credit spreads widened during periods of risk aversion before partially retracing as market conditions stabilised, while equity markets also recovered after an initial sell-off. Against this backdrop, syndication activity remained focused on well-known, high-quality Iberian names, with focus on the short-term Commercial Paper.

In the first half of 2026, the Syndication/Sales team engaged in 53 transactions, of which the following should be highlighted:

- Técnicas Reunidas' ECP ("Euro-Commercial Paper"), in a total amount of EUR 36 million;
- CUF ECP, in a total amount of EUR 6.2 million;
- Visabeira ECP, in a total amount of EUR 32.8 million;
- GVOLT ECP, in a total amount of EUR 27.35 million; and
- Mota ECP, in a total amount EUR 51.4 million.

Throughout the year, the Sales team continued to successfully expand its base of active institutional clients, maintaining a strong presence in the securities flow business, with a focus on commercial paper placements in both the Portuguese and Spanish format.

2H2026 Outlook

The Fixed Income activity is expected to maintain its conservative approach during the second semester of 2026, while continuing to closely monitor macroeconomic indicators, key market performance and geopolitical developments. This approach will continue to prioritise quality, liquidity, and diversification in a disciplined manner, with the objective of achieving the targets and budgeted goals set for the full year of 2026.

The Fixed Income Banking Book team will continue to adopt a conservative approach to the management of the banking book, remaining attentive to economic indicators and geopolitical developments. The team will continue to be guided by key investment principles, namely credit quality, diversification and limited concentration of exposures.

Regarding the outlook for Trading and Market Making area, we expect liquidity to improve with focus at the front end of the curves, if the FED can postpone rate hikes without jeopardizing its credibility. That will depend on energy markets and their impact on inflation.

With regard to Syndication and Institutional Sales, the team is expected to maintain its pace of Euro Commercial Paper placements while increasing its participation in other longer-term capital market transactions across its issuer base.

Haitong Global Asset Management

Overview and Strategy

Haitong Global Asset Management, SGOIC, S.A. (HGAM) is a wholly owned subsidiary of Haitong Bank, S.A., which in 2022 merged and integrated the asset management activities of Haitong Bank into its established private equity platform. This strategic integration marked a major milestone, significantly enhancing the scope and diversity of the product offerings and enabling the introduction of innovative investment strategies and the launch of new funds, solidifying its position in the asset management and private equity sectors.

HGAM's strategy centres on delivering sustainable growth and long-term value through a combination of innovation, risk management, and client-centric expertise. Key pillars of this strategy include:

- **Client-Focused Solutions:** creating tailored investment strategies to meet each client's risk-return goals with transparency and accountability;
- **Innovative Products:** using advanced tools and market insights to develop forward-thinking investments that deliver reliable results;
- **Global Growth:** expanding into key markets, building partnerships, and strengthening international capabilities to better serve clients;
- **Operational Strength:** ensuring secure and efficient investments through strong governance, risk management, and compliance.

Leveraging on the Haitong Bank Group's robust expertise in Asian markets and established track record in Europe, HGAM combines global insights with specialised local knowledge. The Company oversees a diverse portfolio of mandates and public and private assets, focusing on delivering maximum absolute returns while adhering to each client's risk profile and the specific guidelines of each mandate.

HGAM is guided by the principles of Specialisation, Agility, and Transparency, which underpin its commitment to excellence. The management team boasts an average of over 25 years of investment experience, offering a competitive edge in growing Assets under Management. This combination of expertise positions HGAM as a trusted partner for clients seeking tailored and innovative investment solutions.

BUSINESS LINES

- ✓ Asset Management
- ✓ Private Equity

BANKING INCOME ¹

1.1 million euros

¹ Source: Haitong Bank (Management Information June 2026; non-statutory figures)

Activity Highlights

The first half of 2026 was marked by a sequence of political and geopolitical events with a significant impact on financial markets, in a context where global economic activity proved more resilient than initially anticipated.

With the White House reinstating a universal 10% tariff, subsequently raised to 15%, trade tensions escalated and were compounded, at the end of February, by the intensification of military hostilities involving the United States, Israel, and Iran. The conflict effectively closed the Strait of Hormuz – through which around 20% of the world's oil flows transit – driving Brent above USD 100 per barrel. The ceasefire reached in April, and the memorandum of understanding signed in June allowed energy prices to normalise progressively: Brent ended the semester at USD 72.92 per barrel, after falling 38% in the second quarter, the largest quarterly decline since 2020, while remaining around 20% above end-2025 levels.

Monetary policies have become more restrictive on both sides of the Atlantic. In the United States, the economy continued to demonstrate resilience, supported by a 29.4% year-on-year increase in the earnings of S&P 500 companies during the first quarter. In June, the Federal Reserve, under the leadership of Kevin Warsh, decided to maintain the federal funds rate target range at 3.50%–3.75%, while the FOMC's projections continued to indicate the possibility of an additional rate increase before year-end. In the Eurozone, the macroeconomic environment proved more challenging, with GDP contracting by 0.2% in the first quarter and inflation accelerating to 3.2% in May. In response to persistent inflationary pressures, the European Central Bank reinforced its restrictive monetary policy stance by raising its key policy rates by 25 basis points in June, bringing the deposit facility rate to 2.25%.

Equity markets experienced a strong recovery after the first-quarter correction, with the MSCI All Country World Index rising 14.5% in the second quarter of 2026, its best quarterly performance since 2020. Consequently, the Index closed the first half of the year approximately 10% higher, with European indices supported by the normalisation of energy prices and Asian markets posting particularly strong gains.

In this geopolitically complex environment, shaped by tighter monetary policies and energy-market disruptions, HGAM maintained a disciplined and flexible investment approach. The portfolios entered the semester with a prudent positioning, i.e. with above-average liquidity and an overweight in energy and defensive sectors, which proved decisive in navigating the February–March shock. As market conditions improved and investor sentiment recovered, portfolio positioning was progressively adjusted, while maintaining a strong focus on risk management and capital preservation.

Overall, the first half of 2026 was a significant period for HGAM, marked by the completion of the funds' migration to Portugal from Luxembourg, the continued strengthening of its private equity platform, and the team's focus on disciplined growth, operational stability, and the long-term interests of clients.

Expansion of Assets under Management and New Business Lines

Following the record expansion of 2025, the year 2026 was shaping up as a year of consolidation of HGAM's Assets under Management, focused on assimilating last year's growth and the new products launched since then, while continuing to broaden the platform in a disciplined manner.

In February 2026, HGAM completed the migration of its flagship funds from Luxembourg to Portugal. The product platform continued to broaden with one additional real estate investment firm being incorporated in the first half of 2026, bringing to five the number of real estate investment companies under HGAM's management. In addition, the team prepared throughout the semester the launch of Haitong Short Term Fund – a bond fund investing in very short-dated maturities – which occurred on July 1st, 2026.

Assets under Management stood at EUR 326 million as of June 30th, 2026, an increase of EUR 23 million from the EUR 303 million recorded at the end of 2025, sustaining the Company's growth trajectory after the record expansion of the previous year.

Portfolio Performance and Investment Activity

Investment performance in the first half of 2026 was solid across the Company's public market strategies, which successfully navigated one of the most challenging quarters in recent years, followed by a strong market recovery.

On February 27th, 2026, HGAM completed the migration of the White Fleet funds from Luxembourg to Portugal, marking the successful culmination of the strategic transformation launched in 2020. These funds were previously housed on an UBS platform in Luxembourg, where HGAM acted solely as investment manager: now, those funds operate as sub-funds of HGAM Fundos OICVM, an umbrella UCITS domiciled in Portugal. As such, HGAM assumes the function of management company of the Haitong Flexible Fund and the Haitong Aggressive Fund.

The new structure generates operational savings that directly benefit investors: the Haitong Flexible Fund (Class A) returned 6.07% in the first half of 2026, with an annualised volatility of 8.09%, reflecting its diversified and balanced approach, and the Haitong Aggressive Fund (Class A) returned 9.31%, benefiting from the strong recovery of European equity markets in the second quarter. As of June 30th, 2026, the two sub-funds held EUR 41.7 million and EUR 16.4 million in assets under management, respectively.

Across the remaining public market strategies, the Haitong China Bond Fund returned 0.81% in the first half of 2026, supported by its focus on investment-grade USD-denominated Chinese issuers, while the structured note Haitong Carbon Blend appreciated 3.40%, continuing to contribute positively to client outcomes.

In private markets, the Haitong Private Equity Fund agreed to the sale of its stake in one of its corporate holdings, with the transaction settled in July 2026, after the reporting date.

Client Relationship Management

Client engagement remained a key focus for the Company during the first half of 2026, with the team maintaining regular communication with clients through market updates, conference calls and customised reporting, particularly during the heightened market volatility of February and March.

HGAM has also been working with Haitong Bank on a project to make the Company's funds available to Haitong Bank clients via its online banking platform, adding a new distribution channel for HGAM's products. Subject to the successful completion of the ongoing work, the process is expected to be concluded in the second half of 2026.

The team remains committed to maintaining an ongoing dialogue which strengthens trust, especially during periods of market uncertainty, and to supporting long-term client relationships built on clear communication and aligned expectations.

2H2026 Outlook

Looking ahead to the second half of 2026, HGAM remains cautiously optimistic, while acknowledging the persistence of a challenging environment. Geopolitical developments are expected to remain a key driver of financial market performance, given that the recovery in risk assets observed in recent months was largely supported by the ceasefire reached in April and the memorandum of understanding signed between the United States and Iran in June. Despite these positive developments, the trajectory of financial markets remains dependent on the progress of diplomatic negotiations and the stability of the region. At the same time, the impact of the conflict on energy prices is expected to continue to dissipate gradually, contributing to a more favourable backdrop for economic stability and inflation control.

Monetary policy will continue to play a pivotal role in shaping the economic and financial landscape. In Europe, activity is expected to gradually recover from a weak first semester and, with core inflation under pressure, the European Central Bank may raise rates again as early as September. In the United States, June data showed the expected deceleration in inflation while activity remained resilient. The Federal Reserve is expected to keep rates unchanged in the near term, with a possible hike by year-end and any easing cycle reserved for 2027. Artificial Intelligence remains a central market theme, with the investment cycle still at a relatively early stage, supporting the valuations of the companies most exposed to it, while creating selective opportunities in segments under pressure, such as software.

For HGAM, this environment reinforces the importance of flexibility, diversification, and disciplined risk management. The team will continue to adjust and expand its investment solutions in line with client needs, with particular focus on defensive strategies, treasury solutions for corporate clients and selective private market opportunities, while completing key operational initiatives and staying close to clients with clear and consistent communication as markets change.

HGAM is strategically positioned to navigate a more complex world, focused on flexibility and meticulous risk management, as well as on a long-term perspective to supporting clients through uncertainty and capitalising on new opportunities.

France

Overview and Strategy

The Paris Representative Office (“Paris Office” or “Office”) acts as a geographically central and strategically positioned Unit, connecting Haitong Bank with stakeholders across France, China, and the broader European region.

As a representative entity, the Paris Office’s range of missions include:

- Liaising with Chinese, European, and international financial institutions;
- Nurturing relationships that support Haitong Bank’s collaborative involvement in global markets;
- Operating as an accessible point of contact for existing and prospective Clients; and
- Providing support to the Bank in relaying opportunities and facilitating business growth.

These efforts are underpinned by the Paris Office’s connections with Chinese institutions in France, French institutions and communities, and international institutions present in or near France. Through these relationships, the Office creates and solidifies Sino-European ties while promoting mutual interests. In addition, the Office hosts delegations from China and Europe, facilitating bilateral exchanges and collaboration.

A cornerstone of the Paris Office’s operations is its active participation in industry, financial and banking events, ranging from breakfast investor roundtables to forums and global conferences, where it promotes Haitong Bank’s expertise and cross-border network. The Paris Office also supports the Bank’s Lisbon headquarters by conducting industry and company research, contributing to strategic decision-making and market insights. Through its diverse responsibilities, the Paris Representative Office plays an instrumental role in reinforcing Haitong Bank’s European presence, driving cross-border cooperation, and supporting the Bank’s long-term growth objectives.

Activity Highlights

In the first half of 2026, the Paris Office contributed to the completion of a transaction in the primary market, supporting the Lisbon headquarters with client origination via relationship management with local arranging banks and counterparties. The Office’s contributions facilitated the addition of opportunities to the Bank’s already diversified portfolio spanning telecommunications, consumer goods, amongst other sectors across Europe.

Leveraging its own expertise and the Bank’s international talent, the local team also provided insights for Chinese corporates to better understand the European market and available opportunities. Supporting the Lisbon headquarters in its M&A activities, the Paris Office has been relaying opportunities and assisting across numerous market research tasks covering a wide range of industries spanning various countries from Europe to Latin America. Additionally, through the team’s growing local network, European corporates have increasingly engaged with Haitong Bank through the Paris Office to explore potential business opportunities.

The Paris Office also played a crucial role in fostering Haitong Bank's integration with other large financial institutions in Europe, by being actively engaged in both local and neighbouring financial communities, leading to stronger connections with French corporates, banks, regulatory authorities, and similar British and American counterparts. The team in Paris participated in major industry events organised by leading institutions such as Bloomberg, HSBC, and the Association for Financial Markets in Europe. The team's coverage of finance events across France and Europe, gathering the largest and most active institutions, furthered Haitong Bank's active presence and involvement in European markets.

Following already 60 years of Sino-French diplomatic relations, Haitong Bank continues to leverage on the strengthening of bilateral economic ties between China and France. The local team facilitated communications with Chinese and broader Asian corporates, ultimately leading to potential investment and business opportunities through the broader Haitong Bank network and front office teams. By doing so, the team continued expanding the Bank's role as a bridge for cross-border financial services and partnership opportunities within the dynamic Sino-French and wider Asia-Europe economic landscape.

2H2026 Outlook

The global economic environment has remained uncertain, driven particularly by the escalation of armed conflicts. The rapid increase of multinational disputes further disrupted global supply chains and dampened investor sentiment. These developments are reshaping the outlook for cross-border investment and trade in the second half of 2026, prompting the team to remain cautious regarding risk exposure and different strategic priorities that can be followed for the year ahead.

Against this backdrop, the Paris Office should continue to support the Lisbon headquarters through studying and monitoring sectors with relatively stable demand and low recovery risk, as well as identifying opportunities in areas such as consumer and capital goods, and their subsectors that rely on more resilient demand despite broader macroeconomic volatility.

The Paris Office will continue to support Haitong Bank's strategic vision and goals, leveraging the Bank's international network and the decades-long Sino-French partnership to solidify its position within local and neighbouring markets. With a unique perspective bridging China and the EU, the focus will remain on expanding and prioritising the cross-border pipeline origination of the Bank, targeting both buy-side and sell-side M&A opportunities.



PEOPLE

Human Resources

Overview

People remain one of Haitong Bank's most important assets and a key enabler of the Bank's long-term strategy. During the first half of 2026, the Human Resources function continued to support the Bank's organisational transformation, leadership transition, and integration within the Guotai Haitong Group. Particular focus was placed on supporting shareholder-driven initiatives following the completion of the merger process and preparing the Bank for the new corporate mandate for the 2026-2029 period.

HR continued to work closely with senior management, in addition to the Board of Directors and its Committees, aiming to strengthen the Bank's governance framework. Significant efforts were dedicated to the review and enhancement of internal policies and procedures, ensuring alignment with regulatory requirements, evolving business needs, and shareholder expectations. In parallel, the Bank continued to invest in talent management, support for international assignees, and workforce planning across all geographies.

Activity Highlights

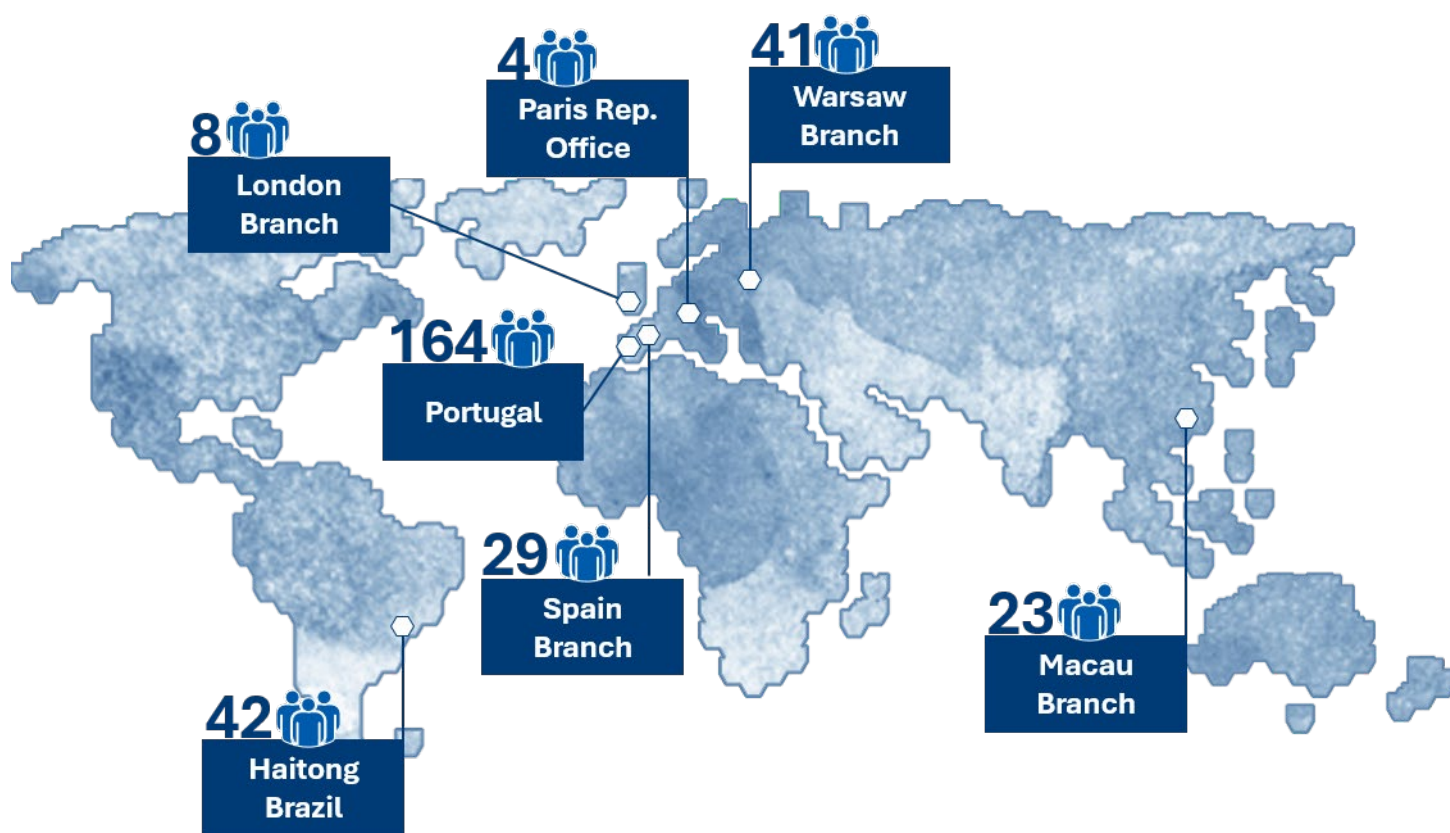
As of 30 June 2026, Haitong Bank maintained a stable and internationally diversified workforce, supporting its business activities across Europe, Macau, and Brazil. The Bank continued to attract, develop, and retain talent through a combination of experienced hires, international mobility programmes, and internship initiatives, reinforcing the pipeline of future professionals for the organisation.

HEADCOUNT

Dec 25	309
Jun 26	311

+0.6%

Headcount by Geography



Core Values Integration

The integration of Haitong Bank's core values lies at the heart of its Human Resources practices. These values guide all actions, decisions, and interactions across the Bank, fostering a cohesive and value-driven workplace culture. To highlight this commitment, each core value is embedded in specific Human Resources initiatives:

Transparency

Open communication and ethical decision-making are prioritised at Haitong Bank, ensuring that all employees understand their roles and contributions to the Bank's success. Through transparent performance assessments and feedback mechanisms, trust and clarity are fostered across all levels of the organisation.

Meritocracy

Haitong Bank is dedicated to rewarding excellence and performance. The Bank's merit-based appraisal system ensures that rewards are directly tied to individual and team achievements, promoting a culture of fairness and motivation.

Perseverance

Haitong Bank encourages determination and resilience in navigating challenges. By fostering an environment that supports initiative and collaborative problem-solving, employees are empowered to make effective contributions to long-term success.

Integrity

Upholding the highest ethical standards is central to Haitong Bank's HR approach. The Bank is dedicated to cultivating a culture where employees act with honesty and accountability, supported by rigorous compliance practices that reinforce the Bank's unwavering commitment to integrity.

Inclusive Culture

Haitong Bank remains committed to fostering an inclusive and diverse workplace. Gender diversity continued to evolve positively during the period, with women representing a significant proportion of the Bank's workforce and maintaining a strong presence within leadership and governance bodies. The Bank continues to promote equal opportunities and a working environment where employees are valued based on their contribution, capabilities, and professional merits.

Geography	Average age (years)	Avg length of service (years)	No. of Men	No. of Women
Portugal	44.5	16.4	95	69
Spain	46.7	15.0	20	9
United Kingdom	39.1	3.8	4	4
Poland	44.9	8.7	22	19
Brazil	47.1	13.0	30	12
Macau	34.0	2.3	11	12
France	32.5	1.8	3	1
HB Average Indicators	44.0	13.2	59%	41%

2H2026 Outlook

Human Resources will continue to support the Bank's strategic priorities by strengthening organisational capabilities, developing talent, promoting effective workforce planning, and supporting the continued alignment of people practices with Group standards and business objectives. Particular emphasis will be placed on supporting the new governance mandate, developing talent pipelines, enhancing organisational effectiveness, and reinforcing engagement across the Haitong Bank Group.

Social Responsibility and Sustainability

During the first half of 2026, Haitong Bank participated in several Social Responsibility initiatives, which reflected the Bank's ongoing commitment to environmental sustainability, community engagement, and the promotion of responsible citizenship across the markets in which it operates.

In **Portugal**, Haitong Bank promoted the following initiatives:

- **Paper Recycling:** In addition to the Bank's commitment to reducing paper consumption through the continued digitalisation of processes and the minimisation of document printing, 500 kg of paper were recycled through a specialised confidential document destruction service. This initiative contributed to safeguarding information, reducing the environmental footprint of the Bank's operations, and further strengthening its commitment to sustainable resource management practices;
- **Support for Flood Victims in Portugal:** To support communities affected by the floods and severe storms that struck Portugal in early 2026, the Bank made a financial contribution of EUR 10,000 to the Portuguese Red Cross emergency relief campaign. This initiative reflected the Bank's commitment to social responsibility, solidarity, and the provision of timely assistance to vulnerable communities during periods of crisis;
- **Support for Cáritas Diocesana de Leiria:** Following the severe storm that impacted the Leiria district, the Bank partnered with Cáritas Diocesana de Leiria to organise an internal donation campaign aimed at supporting affected families. Employees voluntarily contributed food, hygiene products, and other essential items, demonstrating a strong culture of solidarity and collective engagement in addressing the immediate needs of local communities.

In **Poland**, Haitong Bank supported the **9th edition of the Competition for the Best Diploma Thesis** in the Field of Contemporary Economic Cooperation between the Republic of Poland and the People's Republic of China, organised by the Polish-Chinese Business Council in partnership with the Embassy of the People's Republic of China in Poland. Through the sponsorship of a prize awarded to the winning participant, amounting to PLN 2,899, the Bank contributed to the promotion of academic excellence and research while fostering dialogue and strengthening economic ties between Poland and China. This initiative reflects Haitong Bank's commitment to support education, knowledge exchange, and international cooperation.

During the first half of 2026, Haitong Bank in **Macau** carried out several sustainability and social responsibility initiatives, including:

- **Lunar New Year Red Packet Recycling:** Participation in the "Recycling the red packets is very easy" campaign organised by the Macau Environmental Protection Bureau, encouraging employees to recycle used red packets from the Lunar New Year celebrations and helping reduce paper waste;
- **"Light Off" Event:** Participation in the global Earth Hour initiative through the switch-off of non-essential lighting for one hour, raising awareness of energy conservation and climate change;
- **Printer Ink Cartridge Recycling:** Continuation of the printer ink cartridge collection and recycling programme, contributing to the reduction of electronic waste and promoting circular economy principles;
- **National Security Education Visit:** Employee participation in an educational visit focused on national security awareness, promoting civic responsibility and engagement with issues of public interest.



RISK

Risk Management

Governance

Haitong Bank’s Risk Management Framework is under the ultimate responsibility of the Board of Directors. The Board of Directors is fully aware of the types of risks to which the Bank is exposed, and the processes used to identify, evaluate, monitor and control those risks, as well as the legal obligations and the duties to which the institution is subject. It is responsible for the establishment and maintenance of an appropriate and effective risk management structure.

The current structure and relevant committees for the Bank’s Risk Management Function are summarised below.

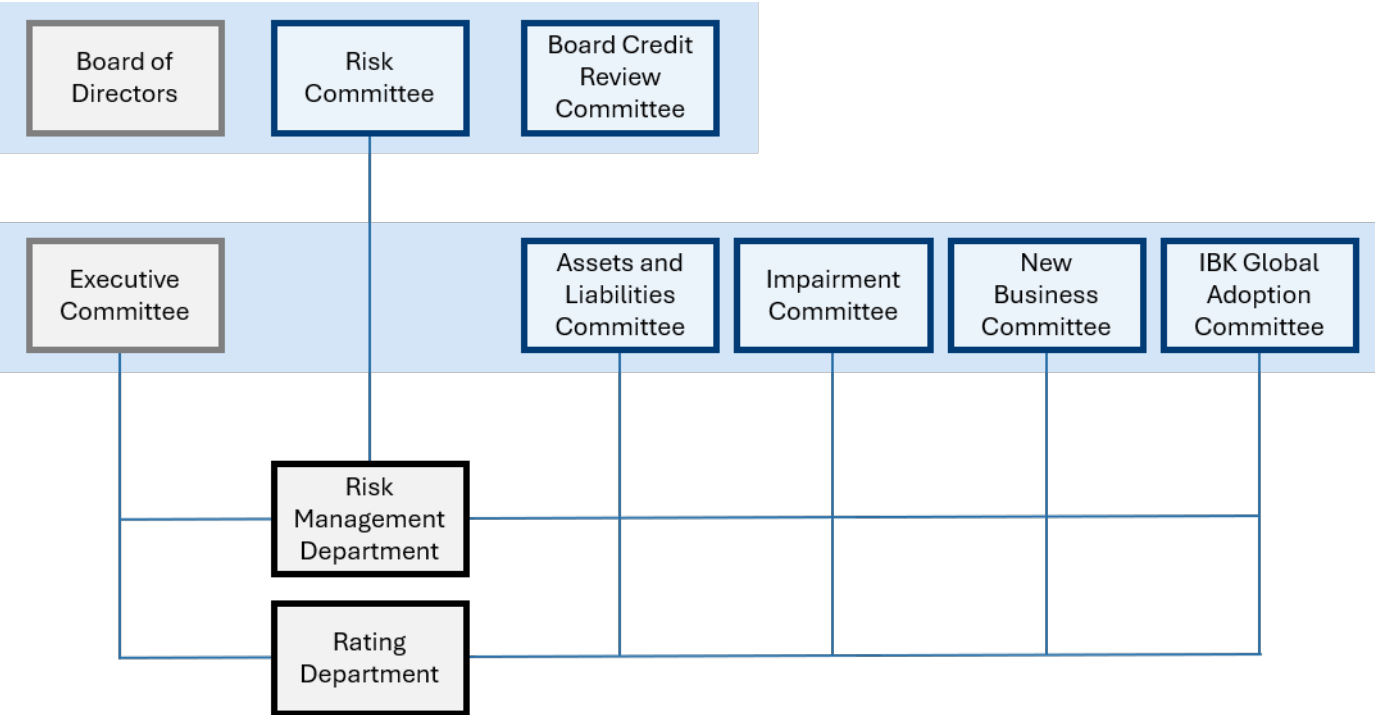


Figure 1– Risk Management Function Chart

Risk Committee

The Risk Committee is responsible for continuously monitoring the development and implementation of the Bank’s risk strategy and its risk appetite, and also for verify whether these are compatible with a sustainable strategy in the medium and long term.

Board Credit Review Committee

The Board Credit Review Committee is responsible for reviewing and approving the credit transactions that fall outside the Risk Appetite Framework (RAF), which are only submitted to the Board Credit Review Committee after having been endorsed by the Executive Committee.

Assets and Liabilities Committee

The Assets and Liabilities Committee's mission is to advise the Executive Committee on the management of the Bank's assets and liabilities, including the oversight of capital, interest rate and liquidity/funding strategy's planning, performance management, liquidity/funding and asset and liability risk management, internal pricing and investment policy, in alignment with the Bank's business strategy and regulatory requirements.

Impairment Committee

The Impairment Committee is responsible for the analysis and for advising on impairment amounts to be assigned to credit clients subject to individual analysis.

New Business Committee

The New Business Committee primary mission is to advise the Executive Committee analysing new business/products or support initiatives considering all the respective necessary means and support mechanisms. Since these initiatives involve significant management decisions and investment, this Committee shall gather inputs from all relevant departments to support an overall assessment (including the impact on the risk profile of the bank, as well as, on regulatory and internal capital adequacy) to be submitted for approval and implementation by the Executive Committee.

IBK Global Adoption Committee

The IBK Global Adoption Committee is primarily responsible for discussing the overall direction of the investment banking business, cross-border matters and prospective transactions. In alignment with this mission, the Committee is also in charge of approving (i) all prospective Investment Banking mandates in relation to proposed transactions or new clients that do not involve credit nor market risk, but can involve settlement risk, (ii) other advisory mandates and agency agreements such as part of Corporate and Project Financing, (iii) proposals where the Bank has reputational risk or settlement risk, (iv) Capital Markets (ECM and DCM) transactions in which the Bank may be liable in case of default by the other managers involved in the transaction. Moreover, the Committee is responsible for identifying restrictions to be implemented throughout the Bank and its subsidiaries.

Risk Management Department

The Risk Management Department is an independent control function that is actively involved in all material decisions and is aligned with the parent company's guidelines and practices. Thus, this Department aims to enable the Bank to make informed decisions and ensure that the risk policies approved by the Board of Directors are duly implemented and followed.

Rating Department

Together with the Risk Management Department, the Rating Department is part of the Risk Control Function of Haitong Bank. The Rating Department plays a key role in supporting the Bank's decision-making process at the Executive Committee and assisting the Impairment Committee in its individual basis impairment assessment.

Risk Appetite

Haitong Bank's strategy is to connect clients and business opportunities across its broad network, combining long-standing expertise in Europe and Latin America with the Group's cross-border origination with a China Angle. Haitong Bank is committed to serving its European and Latin American corporate and institutional Clients alongside a growing Chinese client base.

As a Corporate and Institutional Bank, Haitong Bank's primary business fronts are the following: DCM, Corporate and Project Financing, M&A Advisory, Fixed Income, Corporate Derivatives, and Asset Management.

Haitong Bank acknowledges that its risk management function is a key element in the accomplishment of its strategic objectives. The Bank's overall risk vision assessment rests on the following three guiding principles:

- **Capital:** Haitong Bank aims to maintain prudent capital buffers on top of both internal and regulatory capital requirements;
- **Liquidity and Funding:** Haitong Bank as a whole, and each subsidiary individually, aims to maintain a solid short-term position and a sustainable medium- to long-term funding profile; and
- **Earnings:** The Group has the goal of generating recurrent earnings to guarantee its sustainability and a reasonable level of profitability for shareholders.

Credit Risk

Credit Risk is the potential financial loss arising from the failure of an obligor or counterparty to honour its contractual obligation. As the major risk category to which the Bank is exposed, credit risk management and control are supported by a complete system that permits its identification, assessment, measurement and reporting.

MANAGEMENT PRACTICES

Credit portfolio management is carried out as an ongoing process that requires full coordination between the various teams/functions responsible for the management of risk during the different stages of the credit process.

Internal Ratings

At Haitong Bank, the internal ratings, which measure the 1-year probability of default, are assigned using the internal rating tools sponsored by Standard & Poor's ('S&P'). The internal rating assignment is carried out by an experienced pool of analysts located in Lisbon, Madrid, Warsaw, Macau, London, and São Paulo.

Monitoring

The credit risk monitoring and control activities aim to quantify and control the evolution of credit risk to allow the early detection of situations where there is risk deterioration, as well as to outline global strategies for credit portfolio management.

In this context, and with the central goal of complying with the Risk Appetite Framework established by the Board of Directors, the credit risk monitoring function is considered one of the key pillars of the Bank's risk management and control system.

Credit Recovery Process

Haitong Bank's Special Portfolio Management Division manages the Bank's non-performing exposures, proposing and implementing the restructuring and or credit recovery strategies to maximize credit recovery.

ASSET QUALITY

Loan Portfolio

Portfolio breakdown

In June 2026, the loan portfolio (gross exposure) amounted to EUR 757 million, which represents an increase of approximately EUR 13 million compared to December 2025.

Loan Portfolio Asset Classes and Geographic Breakdown (EUR thousand)

	June 2026			December 2025		
	Domestic	International	Total	Domestic	International	Total
Loan Portfolio¹	245 063	512 935	757 998	259 826	485 231	745 057
Specialized Lending	63 653	135 278	198 931	83 832	106 564	190 396
Corporate	135 992	327 557	463 549	133 246	328 568	461 814
Others	45 418	50 100	95 518	42 748	50 099	92 847

¹ Gross of provisions - Source: Haitong Bank

Loan Portfolio Asset Classes by Industry

	June 2026				December 2025			
	Specialized Lending	Corporate	Others	Total	Specialized Lending	Corporate	Others	Total
TOTAL	26.2%	61.2%	12.6%	100%	25.6%	62.0%	12.4%	100%
Oil & Gas	5.6%	8.5%	0.0%	14.1%	3.4%	11.9%	0.0%	15.3%
Non-Bank Financial Institutions	0.0%	0.0%	11.0%	11.0%	0.0%	0.0%	11.1%	11.1%
Power	5.2%	5.4%	0.0%	10.6%	6.1%	5.5%	0.0%	11.6%
Transportation Infrastructure	6.4%	2.8%	0.0%	9.2%	7.2%	2.9%	0.0%	10.1%
Real Estate	4.5%	2.3%	1.6%	8.4%	4.4%	2.3%	0.5%	7.2%
Metals & Mining	0.0%	7.5%	0.0%	7.5%	0.0%	4.4%	0.0%	4.4%
Agribusiness & Commodity Foods	0.0%	6.5%	0.0%	6.5%	0.0%	2.8%	0.0%	2.8%
Chemicals	0.0%	5.5%	0.0%	5.5%	0.0%	5.5%	0.0%	5.5%
Telecoms	2.6%	2.3%	0.0%	4.9%	2.7%	8.6%	0.0%	11.3%
Food, Beverage & Tobacco	0.0%	4.2%	0.0%	4.2%	0.0%	4.2%	0.0%	4.2%
Household & Personal Products	0.0%	3.3%	0.0%	3.3%	0.0%	0.0%	0.0%	0.0%
Capital Goods	0.0%	3.3%	0.0%	3.3%	0.0%	3.5%	0.0%	3.5%
Consumer Durables & Apparel	0.0%	2.6%	0.0%	2.6%	0.0%	2.7%	0.0%	2.7%
Building Materials	0.0%	2.0%	0.0%	2.0%	0.0%	3.7%	0.0%	3.7%
Health Care	1.9%	0.0%	0.0%	1.9%	1.8%	0.0%	0.0%	1.8%
Rental & Leasing	0.0%	1.5%	0.0%	1.5%	0.0%	1.6%	0.0%	1.6%
Retailing	0.0%	1.3%	0.0%	1.3%	0.0%	0.7%	0.0%	0.7%
Others	0.0%	1.2%	0.0%	1.2%	0.0%	1.1%	0.0%	1.1%
Paper & Forest Products	0.0%	0.6%	0.0%	0.6%	0.0%	0.2%	0.0%	0.2%
Commercial & Professional Services	0.0%	0.4%	0.0%	0.4%	0.0%	0.4%	0.0%	0.4%
Construction & Engineering	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	0.8%

Source: Haitong Bank

Internal Rating Profile

Haitong Bank uses internal rating models to support credit decisions, credit risk monitoring and impairment measurement. The loan portfolio was distributed by internal ratings as shown in the table below.

Loan Portfolio Rating Profile

	June 2026	December 2025
[aaa+; a-]	8.3%	8.9%
[bbb+; bbb-]	31.3%	25.3%
[bb+; bb-]	40.3%	46.4%
[b+; b-]	19.5%	19.4%

As a percentage of non-default rated gross portfolio

Source: Haitong Bank

Risk Indicators

Credit Risk Indicators (in EUR thousand)

	June 2026	December 2025
Loan Portfolio	757 998	745 057
Non-Performing Loans (NPL)	28 119	27 548
NPL Ratio	3.7%	3.7%
Impairment for NPL	17 647	15 842
NPL coverage	62.8%	57.5%
Gross Exposure	2 299 236	2 506 290
Non-performing exposures (NPE) ⁽¹⁾⁽²⁾	54 935	56 262
NPE Ratio	2.4%	2.2%
NPE Impairment Coverage	49.7%	45.1%
Forborne Exposures ⁽¹⁾	36 881	39 330
Of which performing exposure (%)	10.2%	18.9%

¹ The Bank follows the criteria set for non-performing and forborne exposures on EBA's Final Report on Guidelines on Management of Non-Performing and Forborne exposures (EBA/GL/2018/06), as of 21 October 2018, and classification defined on the Part 2 – Template Related Instruction of Annex V – Reporting on Financial Information included in the Commission Implementing Regulation (EU) 2018/1627, of 09 October 2018, amending Implementing Regulation (EU) No. 680/2014, as regards prudent valuation for supervisory reporting

² The Group classifies as non-performing exposures (NPE) the amounts receivable relating to commissions for services rendered and which are overdue for more than 90 days, as well as other assets relating to credits or debt securities in default that were targeted of a recovery process, being directly dependent on legal actions against the original debtors

Source: Haitong Bank

The Non-Performing Loans (NPL) ratio amounted to 3.7% in June 2026, remaining stable compared to December 2025.

Fixed Income Assets

Portfolio breakdown

The fixed income portfolio ended June 2026 with a net total of EUR 1,918 million, representing an increase of EUR 164 million when compared with December 2025.

Fixed Income Portfolio by Sector (EUR thousand)

	June 2026	December 2025
Total	1 918 099	1 753 868
Governments	1 393 668	1 228 445
Real Estate	70 001	67 113
Non-Bank Financial Institutions	42 431	30 473
Banks	42 160	38 467
Health Care	31 970	31 170
Commercial & Professional Services	30 755	5 009
Telecoms	27 343	18 544
Metals & Mining	26 611	26 229
Construction & Engineering	26 391	38 344
Consumer Durables & Apparel	25 818	16 172
Power	24 907	25 993
Transportation	24 743	24 508
Oil & Gas	18 477	31 913
Investment Holdings	16 085	13 430
Transportation Infrastructure	15 412	14 994
Retailing	15 330	16 708
Chemicals	14 835	24 747
Automobiles & Components	13 349	24 159
Water Utilities	12 926	20 298
Technology Hardware & Equipment	10 194	9 511
Hotels & Gaming	9 794	8 833
Rental & Leasing	8 879	0
Food, Beverage & Tobacco	7 142	17 886
Funds & Asset Managers	3 965	6 642
Paper & Forest Products	2 573	2 622
Building Materials	1 130	2 049
Pharmaceuticals	847	0
Broker Dealers	191	175
Media & Entertainment	173	0
Agribusiness & Commodity Foods	0	1 301
Capital Goods	0	7 623
Insurance	0	508

Source: Haitong Bank

Internal Rating Profile

In June 2026, the rating profile of the Bank's fixed income portfolio was the following:

Fixed Income Portfolio Rating Profile

	June 2026	December 2025
[aaa; a-]	10.0%	4.5%
[bbb+; bbb-]	26.7%	19.4%
[bb+; bb-]	61.7%	75.0%
[b+; b-]	1.6%	1.1%

As a percentage of non-default rated portfolio

Source: Haitong Bank

Derivatives Portfolio

Portfolio Breakdown

The counterparty risk exposure in the Bank's portfolio of interest rate and exchange rate derivatives amounted to EUR 30 million in June 2026, which represents an increase of EUR 2 million in comparison with December 2025.

In terms of the breakdown by counterparty risk sector, in June 2026, 51% of the global exposure relates to transactions in Transportation Infrastructure, followed by 34% in Banks' counterparties.

Derivatives Portfolio by sector (EUR thousand)

	June 2026	December 2025
Total	30 247	28 181
Transportation Infrastructure	15 486	18 221
Banks	10 256	7 834
Paper & Forest Products	1 963	0
Broker Dealers	740	0
Funds & Asset Managers	701	701
Non Bank Financial Institutions	593	667
Health Care	464	617
Others	44	139
Agribusiness & Commodity Foods	0	2

Source: Haitong Bank

Internal Rating Profile

The Bank mainly takes counterparty credit risk in derivatives while providing hedge solutions to corporate clients (also encompassing project finance entities). Thus, in June 2026, the Bank's total exposure to derivative instruments focused on interest rate swaps.

Derivatives Portfolio Rating Profile

	June 2026	December 2025
[aaa+;a-]	82.9%	83.1%
[bbb+;bbb-]	2.5%	5.5%
[bb+;bb-]	14.6%	11.4%
[b+;b-]	0.0%	0.1%

*As a percentage of non-default rated portfolio
Source: Haitong Bank*

ESG Risk

Haitong Bank treats ESG risk as a distinct component within its internal risk taxonomy and applies a structured approach to understanding how environmental, social and governance factors may influence its prudential risk profile. The Bank ESG risk framework begins with the identification of how transition and physical climate drivers may affect the Bank's core risk categories, mapped across business lines and time horizons. This is followed by quantitative and qualitative measurement using exposure-based, sector-based and scenario-based methodologies, supported by the Bank's internal Transition and Physical ESG scoring models, which incorporate sectoral characteristics, geographic dispersion, financial robustness, climate vulnerability and mitigation mechanisms. Climate stress tests further complement this framework, and the combined outputs inform the ESG materiality assessment: transition risk emerges as the most material ESG driver affecting Credit Risk in the medium to long term; acute physical risks may affect Credit and Market Risk in the short term; and chronic physical risks are deemed non-material due to the short tenors of the credit portfolio. Limited and context-specific impacts may also arise for Legal, Reputational, Liquidity and Operational risks. These insights shape the Bank's ESG Risk Vision, which prioritises transition risk management, recognises physical risk dynamics, and incorporates exclusion policies prohibiting transactions with entities involved in human rights violations or materially dependent on coal mining or coal power generation.

The implementation of the ESG Risk Management Framework relies on operational tools, processes and governance arrangements that ensure institution-wide consistency. The Transition and Physical ESG scoring models, together with enhanced due diligence for potential high ESG risk clients, constitute the core mechanisms for assessing ESG vulnerabilities; the resulting classifications are stored centrally in a database and reflected in risk-sensitive pricing adjustments. ESG considerations are embedded into governance and decision-making procedures, including risk advice for new transactions and deliberations by the Executive Committee, Risk Committee, New Business Committee and Adoption Committee. At Board level, the Chief Risk Officer and the Chair of the Audit Committee act as ESG focal points, ensuring oversight and structured engagement with the supervisor. ESG factors are integrated into the RAF through quantitative limits on High ESG Risk exposures, monitored monthly via the Risk Monitoring Report. The Early Warning System includes ESG-specific triggers, and climate stress tests are applied to Credit and Market Risk.

The ESG Risk Management Framework is supported by comprehensive internal documentation, including the ESG Regulation, ESG Procedure, ESG Framework Presentation and the ESG Technical Manual, and ESG considerations are integrated into ICAAP and ILAAP. Portfolio-level ESG monitoring is carried out through the monthly Risk Monitoring Report, which evaluates High ESG Risk exposure. Enhancements implemented following Banco de Portugal's 2025 communication have strengthened the framework's alignment with supervisory expectations, improving consistency and prudential soundness.

Market Risk

Market risk corresponds to the possibility of occurrence of losses in on- and off-balance sheet positions resulting from adverse movements in market prices, such as equity, interest rates or foreign exchange rates and credit spreads. In the development of its activities, Haitong Bank is exposed to market risk in the trading and banking books.

Haitong Bank has in place policies, procedures and systems for market risk management, enabling the assessment and control of all the relevant market risk factors to which the Bank is exposed.

The identification, measurement, monitoring, control and reporting of the Bank's market risk are the responsibility of the Market Risk Control Unit, which works in full independence of the Bank's business areas.

In organisational terms, Market Risk Control functions are spread geographically over the Group's different entities, which have the appropriate skills to evaluate the specific activities and risks incurred by each entity.

To provide the organisation with a clear understanding of the market risks incurred and its compliance with the approved risk appetite, the Bank uses a comprehensive set of risk metrics, and respective limits, complemented by stop loss and concentration limits. These risk metrics include Value at Risk (VaR) and sensitivity metrics for interest rates, credit spreads, foreign exchange rates, equity prices and volatility.

TRADING BOOK RISK

Management Practices

Haitong Bank estimates the potential change in the market value of the trading book positions and global FX position by considering an historical simulation VaR, based on a 10-day time horizon and a 1-year historical observations and a 99% confidence level.

As of June 2026, Haitong Bank's VaR amounted to EUR 5.3 million, representing a decrease of EUR 2.0 million when compared with December 2025.

Value at Risk by Risk Factor (EUR million)

	June 2026	December 2025
Foreign Exchange Risk	3.1	7.4
Interest Rate Risk	0.6	0.3
Shares	0.0	0.0
Credit spread	4.5	0.5
Covariance	-2.9	-0.9
Global VaR	5.3	7.3

Source: Haitong Bank

This evolution is mostly due to a decrease in EUR/BRL volatility (the most volatile period occurred in March 2025 and hence is no longer impacting the 1-year VAR), partially compensated by the inclusion of the credit spread risk component of Brazilian sovereign bonds.

BANKING BOOK RISKS

Other risks in the banking book arise from adverse movements in interest rates, credit spreads and in the market value of equity securities and real estate in non-trading exposures on the balance sheet.

Interest Rate Risk

Interest rate risk in the banking book (IRRBB) refers to the current or prospective risk to the Bank's capital and earnings arising from adverse movements in interest rates that affect the Bank's banking book positions.

Haitong Bank aims to capture all material sources of IRRBB and assess the potential effect of market changes on the scope of its activities and manage IRRBB by measuring the sensitivity of the economic value of its banking book and the sensitivity of its net interest margin expected in a 1-year time horizon.

Changes in interest rates can affect the underlying economic value of the Bank's assets, liabilities and off-balance sheet instruments, as the present value of future cash flows changes when interest rates change. Changes in interest rates also affect a bank's earnings by increasing or decreasing its net interest income (NII).

As of June 2026, the impact on the banking book economic value, under a parallel shock on the yield curve, different by currency, was estimated at EUR 44.0 million. Adding the regulatory add-on for automatic options defined in the Commission Delegated Regulation (EU) 2024/857, the final impact on the banking book economic value is EUR 44.3 million. This amount represents an increase compared to the EUR 23.4 million recorded in December 2025, primarily driven by (i) the acquisition of new bond instruments, combined with the partial unwinding of existing futures hedging positions, and (ii) a reduction in the exposure and average maturity of funding (deposits).

Credit Spread Risk

The credit spread, which reflects the ability of an issuer to meet its obligations up to its maturity, is one of the factors considered in the assets' valuation. It represents the difference between the interest rate of a risky asset and the interest rate of a risk-free asset in the same currency and with the same maturity.

As of June 2026, the impact on the banking book economic value for this risk was estimated at EUR 18.0 million. This amount represents an increase compared to the EUR 14.5 million recorded in December 2025, primarily driven by an increase of EUR 50 million of exposure and of approximately 5 years in the duration of sovereign exposures.

The Bank is also subject to other types of risk in the banking book, namely the risk of equity holdings and the risk of mutual funds. These risks may broadly be described as the probability of a loss resulting from an adverse change in the market value of these financial instruments.

Pension Fund Risk

Haitong's Pension Fund Risk stems from the possibility that the pension plan assets are not sufficient to meet the fund's responsibilities. In this scenario Haitong Bank is required to make an extraordinary contribution to the pension fund. The Pension Fund Risk mainly materialize in defined benefit plan, where the Bank ensures an adequate financing of the employee retirement plan, regardless of the fund performance.

The Pension Fund Risk is incorporated within the Bank's RAF. The Bank has established policies and methodologies for risk assessment, monitoring, and reporting, ensuring alignment with the Group's Risk Appetite Framework.

Operational Risk

Operational Risk corresponds to the probability of occurrence of events with a negative impact on earnings or capital resulting from inadequate internal procedures or their negligent application, inadequacy or failure of information systems, staff behaviour, or external events. Legal risk is included in this definition.

MANAGEMENT PRACTICES

Operational risk is managed through a set of procedures that standardise, systematise, and measure the frequency of actions aimed at the identification, monitoring, control, and mitigation of this risk. The priority in operational risk management is to identify and mitigate or eliminate risk sources.

The management methodologies in place are supported by the principles issued by the Basel Committee for operational risk.

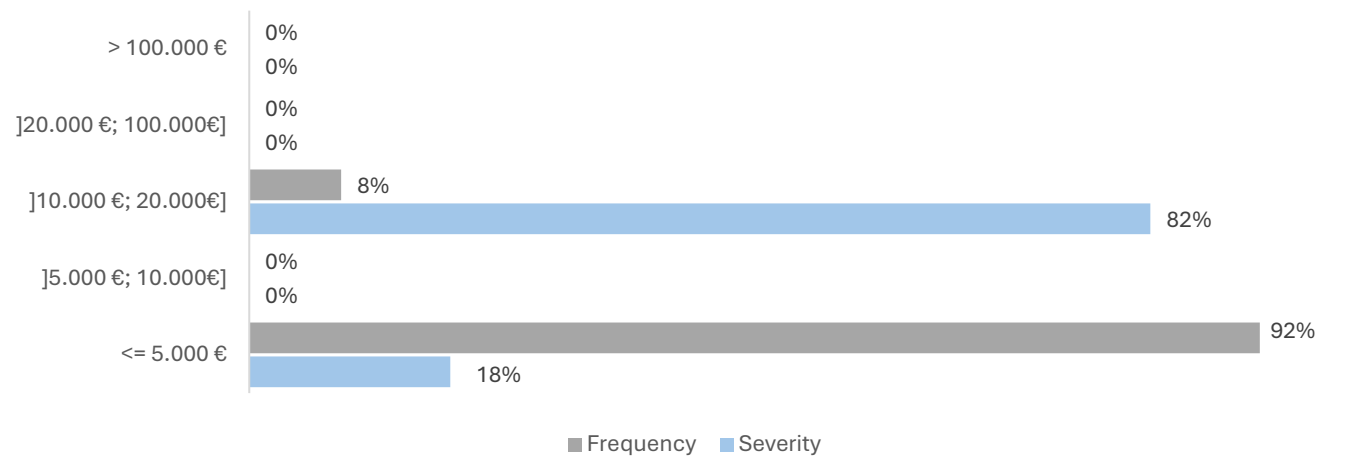
The operational risk management model is supported by an exclusively dedicated structure within the organisation which is responsible for the following processes:

- Identification and assessment of processes, risks and controls through risk and control self-assessment exercises;
- Identification and assessment of operational risks in new products, services and in the Bank's IT environment, including the need to implement new controls to mitigate identified risks;
- Identification, analysis and reporting of operational risk events;
- Monitoring risk through a selected set of risk indicators;
- Calculation of capital requirements in accordance with the Standardized Approach.

OPERATIONAL RISK ANALYSIS

The operational risk events identified are reported to permit their full and systematic categorisation and the monitoring of follow-up mitigation actions. All events are classified in accordance with the risk categories defined in Banco de Portugal, by business lines and by Basel event types.

Distribution of frequency and severity of events by loss amount

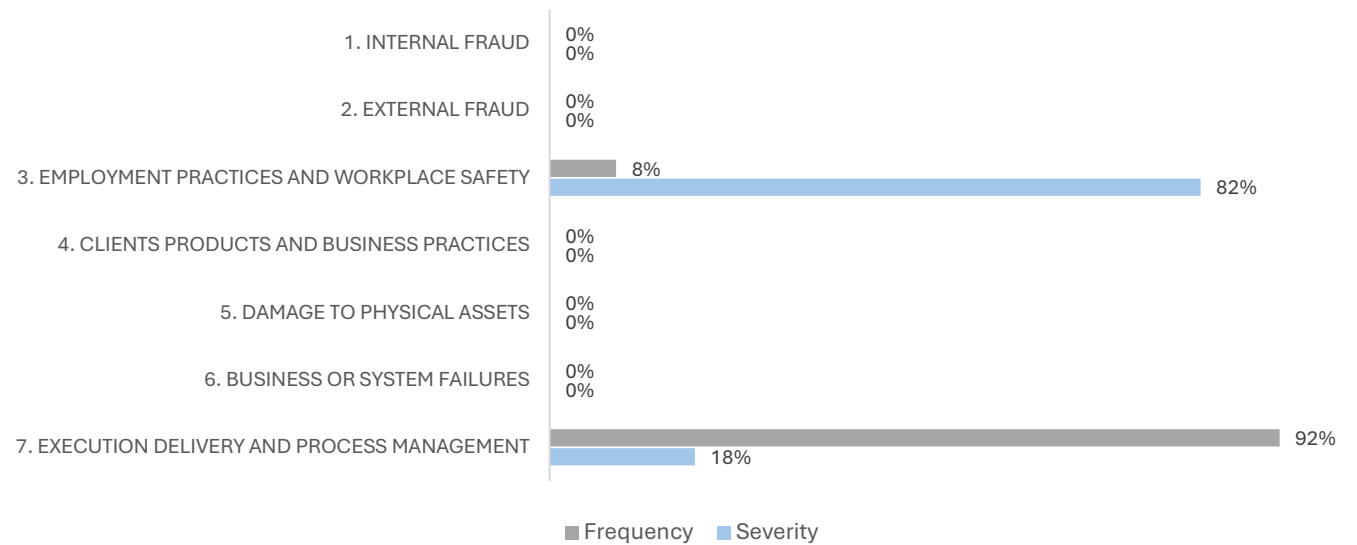


Source: Haitong Bank. Operational Risk Events, June 2026

By June 2026, 92% of the Bank’s loss events were below EUR 5,000.

Following Basel’s event classification, in the first half of 2026, 92% of total reported loss events were related with the Execution, Delivery & Process Management event type, which corresponded to 18% of reported losses associated with this risk.

Distribution of frequency and severity of events by event type



Source: Haitong Bank; Operational Risk Events, June 2026

ICT and Security Risk

Haitong Bank defines ICT Risk as the risk of loss arising from the failure or disruption of information and communication technologies (ICT), including their design, implementation, or management, which affects the security, availability, integrity, or performance of the systems supporting business operations. This includes security risks resulting from inadequate or failed internal processes or external events including cyber-attacks or inadequate physical security.

The Bank's ICT and Security Risk Framework consist of five risk subcategories aligned with the EBA Guidelines. These subcategories are ICT Availability and Business Continuity Risk, ICT Change Risk, ICT Data Integrity Risk, ICT Third-Party Risk, and ICT Security Risk.

The ICT and Security Risk Framework is supported by comprehensive policies and methodologies for risk assessment, monitoring, and reporting, and it is incorporated into the Bank's Risk Appetite Framework.

Liquidity Risk

Liquidity risk arises from an institution's present or future inability to meet all payment obligations when they come due or secure such resources only at an excessive cost.

MANAGEMENT PRACTICES

Liquidity and funding management is a key element in Haitong Bank's business strategy and a fundamental pillar, together with capital management, in supporting its strength and resilience.

Liquidity management and Haitong Bank's funding strategy are the responsibility of the Executive Committee which ensures the management of the Bank's liquidity in an integrated way, with the treasuries of all Haitong Bank's entities.

To provide protection against unexpected fluctuations and based on a solid organisational and governance model, Haitong Bank's liquidity risk management envisages delivering appropriate term and structure of funding consistent with the following principles:

- Ensure the ability to meet obligations as they come due in a timely manner and at a reasonable cost;
- Comply with regulatory requirements on liquidity in each of the Bank's geographies;
- Ensure full alignment with liquidity and funding risk appetite;
- Make available a sufficient immediate liquidity buffer to ensure the ability to react to any event of stress that could restrict the ability to access financial markets under both normal and stressed conditions;
- Develop a diversified investors' base and maintain access to a variety of alternative funding sources, while minimizing the cost of funding; and
- Continuously develop an appropriate internal framework for the identification, measurement, limitation, monitoring and mitigation of liquidity risk.

LIQUIDITY POSITION

Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR) is established by the CRD (Directive 2013/36/EU) and it is designed to promote short-term resilience of a bank's liquidity risk profile by measuring how adequate the stock of high-quality liquid assets (that can be easily converted into cash) is to meet liquidity needs for a 30 calendar day liquidity stress scenario.

As of June 2026, Haitong Bank reached an LCR of 208%, which represents a resilient short-term liquidity position, comfortably complying with regulatory standards.

Liquidity Coverage Ratio (EUR million)

	June 2026	December 2025
High-Quality Liquid Assets	704	836
30 days Net Outflow	339	352
Liquidity Coverage Ratio	208%	237%

Source: Haitong Bank

Net Stable Funding Ratio

The Basel Committee on Banking Supervision established the Net Stable Funding Ratio (NSFR) in October 2014 within the scope of the Basel III regulatory reform. The NSFR was translated into European Union law with Regulation (EU) 2019/876, entering into force from June 2021.

The NSFR constitutes a structural measure that aims at fostering longer-term stability by incentivizing banks to adequately manage their maturity mismatches by funding long-term assets with long-term liabilities.

As of June 2026, Haitong Bank reached an NSFR of 127%, ensuring an adequate medium- to long-term funding profile.

Net Stable Funding Ratio

	June 2026	December 2025
Net Stable Funding Ratio	127%	144%

Source: Haitong Bank

Capital Management

Capital management seeks to guarantee Haitong Bank's sound solvency and profitability under the strategic objectives and the risk appetite set by the Board of Directors. Therefore, it is of critical importance to Haitong Bank's financial stability and sustainability.

MANAGEMENT PRACTICES

The capital management practices and guidelines are shaped to accomplish the business' strategic goals and the risk appetite set by the Board of Directors. Accordingly, with the objective of maintaining capital that is suitable in quantity and quality, Haitong Bank has in place a capital management framework based on the following objectives:

- Promote the sustainable growth of activity by creating enough capital to withstand the increase of assets;
- Meet the minimum requirements established by the supervising entities in relation to capital adequacy; and
- Ensure the achievement of the strategic goals set by the Group in relation to capital adequacy and risk appetite.

Complementing the regulatory focus, Haitong Bank periodically executes an internal risk-based capital self-assessment (ICAAP) that consists of a forward-looking measurement of the material risks to which Haitong Bank is exposed (including the ones not covered by Pillar 1 regulatory capital).

Additionally, as part of its capital management policy, Haitong Bank performs a Recovery Plan, which provides the escalation path for crisis management governance and identifies the list of actions and strategies designed to respond to a capital stress event.

REGULATORY CAPITAL AND LEVERAGE RATIOS

Solvency

Regulatory capital requirements are determined by Banco de Portugal under the CRR (Regulation EU no. 575/2013) and CRD (Directive EU 2013/36/EU) regulations. Under these regulatory frameworks, capital requirements are set in consideration of the level of risk that the Bank is exposed to, which is measured through both risk-weighted assets (RWAs) and leverage.

Under this regulatory framework, the minimum CET1 ratio is 4.5%, the minimum Tier 1 ratio is 6% and the minimum Total Capital Ratio is 8%. In addition, these minimum ratios are supplemented by the capital conservation buffer, established at 2.5% from 1 January 2019.

Also related to the CRD capital buffers, in November 2016 Banco de Portugal decided to impose a capital surcharge on six Portuguese banking groups classified as O-SIIs (Other Systemically Important Institutions) in the scope of its annual revision of the identification of the imposition of capital buffers, pursuant to Article 138-R (2) of the Legal Framework of Credit Institutions and Financial Companies (RGICSF). Haitong Bank is excluded from the scope of application of this macro-prudential buffer.

The regulation also provides a countercyclical capital buffer of up to 2.5% to be imposed where national supervisors deem it necessary to counteract excessive credit growth in the jurisdictions under their supervision. The buffer rate is subject to quarterly review. As of 30 June 2026, the countercyclical capital buffer applicable to exposures to counterparties located in Portugal is 0.75% of the total risk exposure amount, following Banco de Portugal's decision to activate the buffer with effect from 1 January 2026.

In addition to the above-mentioned capital buffers, as of 1 July, 2018, Haitong Bank became subject to an additional requirement with a specific add-on, determined and revised under the Supervisory Review and Evaluation Process performed by Banco de Portugal.

As of June 2026, Haitong Bank's capital ratios were calculated under CRR (Regulation EU no. 575/2013) and CRD (Directive EU no 2013/36/EU). The capital ratios under the Standard Approach are shown in the following table.

Solvency Ratios

	June 2026	December 2025
CET1 ratio	18.9%	19.6%
Tier 1 ratio	23.8%	24.6%
Total capital ratio	23.9%	24.7%

Source: Haitong Bank

The prudent capital management implemented by Haitong Bank has allowed the maintenance of a solid capital position.

Leverage

As a supplementary measure, the CRR/CRD framework introduced a non-risk based leverage ratio. The leverage ratio compares Tier 1 capital to a measure of leverage exposure, aiming to constrain the build-up of excessive leverage in the banking sector and to backstop the existing risk-weighted capital requirements with a simple, non-risk-weighted measure.

As of June 2026, Haitong Bank's leverage ratios, calculated under the methodology set by the regulatory framework, are shown in the following table.

Leverage Ratios

	June 2026	December 2025
Leverage Ratio	11.6%	11.4%

Source: Haitong Bank

FINANCIAL REPORT



1. Consolidated Financial Statements

Consolidated Income Statement for the financial periods ended on June 30, 2026, and 2025

(thousand euros)

	Notes	30.06.2026	30.06.2025
Interest and similar income	5	111 887	120 883
Interest and similar expenses	5	97 815	96 770
Financial margin		14 072	24 113
Fees and commissions income	6	4 848	6 435
Fees and commissions expenses	6	(665)	(655)
Net trading income	7	879	8 212
Net income from other financial instruments at fair value through profit or loss	8	533	1 408
Net gain/(loss) from derecognition of financial assets measured at fair value through other comprehensive income	9	2 998	3 229
Net gains/(losses) from hedge accounting	10	360	(90)
Net gains / (losses) from foreign exchange differences	11	5 430	(15 394)
Net gain/(loss) from derecognition of financial assets measured at amortised cost	12	2 885	2 639
Other operating income and expense	13	(1 097)	2 699
Operating Income		30 243	32 596
Employee costs	14	17 433	18 246
Administrative costs	16	6 798	7 256
Depreciations and amortisations	25 and 26	2 082	2 070
Provisions	31	(488)	690
Net impairment loss on financial assets	31	1 625	1 230
Operating expenses		27 450	29 492
Profit / (Loss) before Income Tax		2 793	3 104
Income tax			
Current tax	32	1 875	1 448
Deferred tax	32	(332)	538
		1 543	1 986
Net Profit / (Loss) for the period		1 250	1 118
Attributable to shareholders of the parent company	17	1 361	1 014
Attributable to non-controlling interests	35	(111)	104
		1 250	1 118
Basic Income per Share (in euros)	17	0.01	0.01
Diluted Income per Share (in euros)	17	0.01	0.01

The following notes form an integral part of these consolidated financial statements

The Director of the Finance Department

The Board of Directors

Consolidated Statement of Comprehensive Income for the financial periods ended on June 30, 2026, and 2025

(thousand euros)			
	Notes	30.06.2026	30.06.2025
Net income of the period			
Attributable to shareholders of the parent company		1 361	1 014
Attributable to non-controlling interests		(111)	104
		<u>1 250</u>	<u>1 118</u>
Other comprehensive income for the period			
Items that will not be reclassified to profit and loss			
Remeasurements of defined benefit liabilities, net of taxes	35	(1 978)	2 068
		<u>(1 978)</u>	<u>2 068</u>
Items that may be reclassified to profit and loss			
Foreign currency translation differences for foreign operations	35	7 217	(231)
Fair value changes of debt instruments measured at fair value through other comprehensive income, net of taxes	35	(260)	(603)
		<u>6 957</u>	<u>(834)</u>
Total other comprehensive income for the period		<u>4 979</u>	<u>1 234</u>
Total comprehensive income/(loss) for period		<u>6 229</u>	<u>2 352</u>
Attributable to shareholders of the parent company		4 912	2 081
Attributable to non-controlling interests		1 317	271
		<u>6 229</u>	<u>2 352</u>

The following notes form an integral part of these consolidated financial statements

The Director of the Finance Department

The Board of Directors

Consolidated Statement of Financial Position as June 30, 2026, and December 31, 2025

(thousand euros)

	Notes	30.06.2026	31.12.2025
Assets			
Cash and cash equivalents	18	23 122	24 507
Financial assets at fair value through profit or loss		953 101	903 411
Financial assets held for trading		936 452	887 352
Securities	19	917 991	869 988
Derivative financial assets	20	18 461	17 364
Non-trading financial assets mandatorily at fair value through profit or loss		16 649	16 059
Securities	22	16 625	16 034
Loans and advances to customers	24	24	25
Financial assets at fair value through other comprehensive income	22	355 182	314 927
Financial assets measured at amortised cost		1 687 478	1 946 341
Securities	22	643 960	568 068
Loans and advances to banks	23	305 457	651 713
Loans and advances to customers	24	738 061	726 560
Other tangible assets	25	7 012	8 555
Intangible assets	26	1 539	1 356
Tax assets		115 459	109 023
Current income tax assets	32	21 738	20 689
Deferred income tax assets	32	93 721	88 334
Other assets	27	139 459	121 379
Total Assets		3 282 352	3 429 499
Liabilities			
Financial liabilities held for trading		18 594	55 762
Securities	19	513	32 724
Derivative financial liabilities	20	18 081	23 038
Financial liabilities measured at amortised cost		2 564 759	2 690 790
Resources of credit institutions	28	1 212 649	1 195 890
Resources of customers	29	1 096 748	1 251 441
Debt securities issued	30	255 362	243 459
Provisions	31	5 663	5 625
Tax liabilities		13 965	13 179
Current income tax liabilities	32	8 392	7 606
Deferred income tax liabilities	32	5 573	5 573
Other liabilities	33	60 897	51 898
Total Liabilities		2 663 878	2 817 254
Equity			
Share capital	34	871 606	871 278
Share premium	34	8 796	8 796
Other equity instruments	34	105 042	105 042
Fair-value reserves	35	(795)	(550)
Other reserves and retained earnings	35	(384 396)	(358 196)
Net profit/(loss) for the period attributable shareholders of the parent company		1 361	(29 668)
Total equity attributable to the shareholders of the parent company		601 614	596 702
Non-controlling interests	35	16 860	15 543
Total Equity		618 474	612 245
Total Equity and Liabilities		3 282 352	3 429 499

The following notes form an integral part of these consolidated financial statements

The Director of the Finance Department

The Board of Director

Consolidated Statement of Changes in Equity for the financial periods ended on June 30, 2026, December 31, 2025, and June 30, 2025

(thousand euros)

	Notes	Share capital	Share premium	Other equity instruments	Fair-value reserves	Other reserves and retained earnings	Net profit/(loss) for the period attributable to the shareholders of the parent company	Total equity attributable to the shareholders of the parent company	Non-controlling interests	Total Equity
Balance as of 31 December 2024		871 278	8 796	105 042	(1 875)	(367 631)	5 078	620 688	17 549	638 237
Other movements recorded directly in equity:										
Changes in fair value, net of taxes	35	-	-	-	(809)	-	-	(809)	206	(603)
Exchange differences	35	-	-	-	-	(192)	-	(192)	(39)	(231)
Remeasurements of defined benefit liabilities, net of taxes	35	-	-	-	-	2 068	-	2 068	-	2 068
Net profit / (loss) for the period	35	-	-	-	-	-	1 014	1 014	104	1 118
Total comprehensive income for the period		-	-	-	(809)	1 876	1 014	2 081	271	2 352
Transfers for reserves and retained earnings		-	-	-	-	5 078	(5 078)	-	-	-
Balance as of 30 June 2025		871 278	8 796	105 042	(2 684)	(360 677)	1 014	622 769	17 820	640 589
Other movements recorded directly in equity:										
Changes in fair value, net of taxes	30	-	-	-	2 134	-	-	2 134	35	2 169
Exchange differences	30	-	-	-	-	251	-	251	54	305
Remeasurements of defined benefit liabilities, net of taxes	30	-	-	-	-	2 230	-	2 230	-	2 230
Net profit / (loss) for the period	30	-	-	-	-	-	(30 682)	(30 682)	(2 366)	(33 048)
Total comprehensive income for the period		-	-	-	2 134	2 481	(30 682)	(26 067)	(2 277)	(28 344)
Dividends to non-controlling interests	29	-	-	-	-	-	-	-	-	-
Balance as of 31 December 2025		871 278	8 796	105 042	(550)	(358 196)	(29 668)	596 702	15 543	612 245
Other movements recorded directly in equity:										
Changes in fair value, net of taxes	35	-	-	-	(245)	-	-	(245)	(15)	(260)
Exchange differences	35	-	-	-	-	5 774	-	5 774	1 443	7 217
Remeasurements of defined benefit liabilities, net of taxes	35	-	-	-	-	(1 978)	-	(1 978)	-	(1 978)
Net profit / (loss) for the period	35	-	-	-	-	-	1 361	1 361	(111)	1 250
Total comprehensive income for the period		-	-	-	(245)	3 796	1 361	4 912	1 317	6 229
Share capital increase	34	328	-	-	-	(328)	-	-	-	-
Transfers for reserves and retained earnings		-	-	-	-	(29 668)	29 668	-	-	-
Balance as of 30 June 2026		871 606	8 796	105 042	(795)	(384 396)	1 361	601 614	16 860	618 474

The following notes form an integral part of these consolidated financial statements

The Director of the Finance Department

The Board of Directors

Consolidated Cash Flow Statement for the financial periods ended on June 30, 2026, and 2025

(thousand euros)

	Notes	30.06.2026	30.06.2025
Cash flows from operating activities			
Interests received		(26 990)	123 059
Interests paid		(91 925)	(92 993)
Fees and commissions received		4 394	6 006
Fees and commissions paid		(665)	(655)
Recoveries of operations written off from assets	13	754	823
Cash payments to employees and suppliers		(23 935)	(26 090)
		(138 367)	10 150
Changes in operating assets and liabilities:			
Trading financial assets and liabilities		(84 266)	(7 401)
Loans and advances to banks		34 908	(121 364)
Resources of other credit institutions	28	18 036	265 360
Loans and advances to customers		(9 877)	(44 083)
Resources of customers	29	(152 599)	(78 319)
Other operating assets and liabilities		(8 235)	(2 994)
Net cash flow from operating activities before income tax		(340 400)	21 349
Income taxes paid		(1 802)	(4 196)
		(342 202)	17 153
Purchase of securities		(324 092)	(324 092)
Sale and repayments of securities		350 123	351 118
Purchase of fixed assets	25 and 26	(395)	(1 203)
Sale of fixed assets		-	40
		25 636	25 863
Cash flows from financing activities			
Debt securities issued	30	-	66 166
Reimbursement of debt securities issued	30	5 070	(105 957)
Rents paid for leasing operations	33	(1 460)	(3 063)
Net cash flow from financing activities		3 610	(42 854)
		(312 956)	162
Net changes in cash and equivalents		(312 956)	162
Cash and equivalents at the beginning for the year		640 913	517 527
Cash and equivalents at the end for the year		327 957	517 689
		(312 956)	162
Cash and equivalents includes:			
Cash	18	6	2
Demand deposit at central banks	18	11 847	4 929
Deposits at other credit institutions	18	11 269	12 434
Loans and advances to banks	23	304 835	500 324
		327 957	517 689

The following notes form an integral part of these consolidated financial statements

The Director of the Finance Department

The Board of Directors

2. Notes to the Consolidated Financial Statements

Haitong Bank, S.A.

NOTE 1 – ACTIVITY AND GROUP STRUCTURE

Haitong Bank, S.A. (Bank or Haitong Bank) is an investment bank headquartered in Portugal, at Rua Alexandre Herculano, no. 38, in Lisbon. To this end, it has the necessary authorizations from the Portuguese authorities, central banks and other regulatory agents to operate in Portugal and in the countries where it operates through international financial branches.

The institution was incorporated as an investment company in February 1983 through a foreign investment in Portugal under the name FINC - Sociedade Portuguesa Promotora de Investimentos, S.A.R.L.. In 1986, the company was integrated into the Espírito Santo Group under the name Espírito Santo - Sociedade de Investimentos, S.A..

In order to broaden the scope of its activity, the institution obtained authorization from the competent official bodies for its transformation into an Investment Bank, through Ministerial Order no. 366/92 of November 23, published in the Diário da República - II Série - no. 279, of December 3. Banco de Investimento began operating under the name Banco ESSI, S.A. on April 1, 1993.

In 2000, Banco Espírito Santo, S.A. acquired the entire share capital of BES Investimento in order to reflect all the synergies between the two institutions in its consolidated accounts.

On August 3, 2014, following the application of a resolution measure by Banco de Portugal to Banco Espírito Santo, S.A., the Bank was taken over by Novo Banco, S.A..

In September 2015, Haitong International Holdings Limited acquired the entire share capital of BES Investimento, and the Bank's name was changed to Haitong Bank, S.A..

Haitong Bank currently operates through its head office in Lisbon and branches in London, Warsaw, Macau and Madrid, as well as through its subsidiary in Brazil and its representative office in Paris. The Global Asset Management business is carried out through its subsidiary Haitong Global Asset Management, SGOIC, S.A.

Haitong Bank's financial statements are consolidated by Haitong International Holdings Limited, headquartered at 15/F, One Island South, 2, Heung Yip Road, Wong Chuk Hang, Hong Kong, with Guotai Haitong Securities Co., Ltd. as the ultimate parent company.

In March 2025, Guotai Junan Securities Co., Ltd. announced to the market the completion of its merger process with Haitong Securities Co., Ltd., after which its name was changed to Guotai Haitong Securities Co., Ltd.. Throughout 2025, the necessary authorizations were obtained from the competent regulators of the Haitong Bank Group, including the Bank of Portugal, the Portuguese Securities Market Commission (CMVM), the Central Bank of Brazil, and the Cayman Islands Monetary Authority.

The structure of the group of companies in which the Bank has a direct or indirect holding of 20% or more, or over which it exercises control or significant influence in their management, and which have been included in the consolidation perimeter, is as follows:

(thousand euros)

	Incorporation date	Acquisition date	Headquarters	Activity	% Economic interest(1)	Consolidation method	Equity	Assets	Net profit/(loss)
Haitong Bank S.A.	1983	-	Portugal	Investment Bank	100%	Full	618 828	2 212 085	1 712
Haitong Global Asset Management SGOIC S.A.	1988	2005	Portugal	Asset management	100%	Full	30 329	30 593	435
Haitong Banco de Investimento do Brasil S.A.	1973	2000	Brazil	Investment Bank	80%	Full	57 989	1 150 979	(2 630)
FI Multimercado Treasury	2005	2005	Brazil	Investment fund	80%	Full	4 206	4 207	130
Haitong Negócios, SA	1996	1999	Brazil	Holding company	80%	Full	37 765	39 571	1 011
Haitong do Brasil DTVM S.A.	2009	2009	Brazil	Asset management	80%	Full	8 457	9 057	226
Haitong Securities do Brasil S.A.	1973	2000	Brazil	Brokerage house	80%	Full	19 164	23 419	536

(1) There are currently no restrictions on the control of subsidiaries.

NOTE 2 – MAIN ACCOUNTING POLICIES

2.1. BASES OF PREPARATION

In accordance with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, of the 19th of July, 2002, and its transposition into Portuguese legislation through Decree-Law no. 35/2005 of 17 February, and Notice no. 1/2005 of Banco de Portugal (revoked by Banco of Portugal Notice no. 5/2015), the consolidated financial statements of Haitong Bank, S.A., (Bank, Haitong Bank or Group) are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union.

The IFRS comprise the accounting standards issued by the International Accounting Standards Board (IASB), as well as the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and by their predecessor bodies.

The consolidated financial statements of Haitong Bank presented herein refer to the period ended June 30, 2026, and were prepared in accordance with IFRS in force in the European Union on January 1, 2026. These interim consolidated financial statements are presented in accordance with IAS 34 - Interim Financial Reporting and do not include all the information required for full annual financial statements.

The accounting policies in this note were consistently to all entities of the Group and are consistent with those used in the preparation of the financial statements of the previous year.

The financial statements are denominated in thousands of euros, rounded to the nearest thousand, and have been prepared in accordance with the historical cost principle, with the exception of the assets and liabilities accounted for at fair value, such as financial derivatives, financial assets and liabilities at fair value through profit and loss and financial assets and liabilities at fair value through other comprehensive income.

Other financial assets and liabilities and non-financial assets and liabilities are stated at amortised cost or historical cost.

The preparation of financial statements in accordance with the IFRS requires the Group to make judgements and estimates, as well as to use assumptions affecting the implementation of the accounting policies and the amounts corresponding to income, expenses, assets and liabilities. Any changes to such assumptions, or any difference thereof comparing to reality may have an impact on the current estimates and judgements. The areas involving a higher degree of judgement or complexity, or in which significant assumptions and estimates are used when preparing the consolidated financial statements, are analysed in Note 3.

The consolidated financial statements herein have been approved in the Board of Directors meeting held on September 16, 2026. The financial statements for the year ended December 31, 2025 were approved by the Board of Directors at its meeting held on March 12, 2026 and were subsequently approved by the Sole Shareholder on April 15, 2026.

2.2. BASIS OF CONSOLIDATION

The consolidated financial statements set forth herein reflect the assets, liabilities, income and expenses of Haitong Bank and its subsidiaries (“Group” or “Haitong Bank Group”), and the profit or loss attributable to the Group concerning the financial holdings in associates.

The accounting policies have been consistently implemented by all the Group companies in the periods covered by these consolidated financial statements.

Subsidiaries

Subsidiaries are entities (including investment funds) controlled by the Group. The Group controls an entity when it holds the power to direct the relevant activities of the entity, and when it is exposed or entitled to the variability in the returns resulting from its involvement with such entity and may get hold of such returns through its power over the relevant business of such entity (de facto control). The subsidiaries’ financial statements are comprised in the consolidated financial statements from the date in which the Group acquires control, until the date when such control ceases to exist.

The accounting policies of subsidiaries are changed, whenever necessary, in order to ensure that they are consistently applied by all Group companies.

The accumulated losses of a subsidiary are attributed to non-controlling interests in the proportions held, which could imply the recognition of negative non-controlling interests.

In a step acquisition transaction resulting in the acquisition of control over a subsidiary that constitutes a business, any previous minority holding is reassessed at fair value against the income statement when calculating goodwill. Upon a partial sale resulting in the loss of control over a subsidiary, any remaining minority holding is reassessed at fair value on the date of the sale, and the profit or loss resulting from such reassessment is accounted for in the income statement.

When the Group ceases to have control, any remaining interests in the entity are remeasured to fair value on that date, with the change in book value recognized in profit or loss for the year. The fair value corresponds to the initial book value, for the purposes of subsequent measurement of the remaining interest as an associate, joint venture or financial asset. Additionally, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets and liabilities. This may imply that amounts previously recognized in other comprehensive income are reclassified to profit or loss for the year.

There are currently no restrictions on the control of subsidiaries.

Transactions with non-controlling interests

The acquisition of non-controlling interests which do not result in a change in control over a subsidiary is accounted for as a transaction with shareholders and, therefore, no additional goodwill resulting arising from such transaction shall be recognised. The difference between the acquisition cost and the statement of financial positions value of the acquired non-controlling interests is directly recognised in reserves. Similarly, gains or losses arising from disposals of non-controlling interests which do not result in the loss of control over a subsidiary are always recognised against reserves.

The gains or losses arising from the dilution or sale of part of a financial holding in a subsidiary, with the loss of control, are recognised by the Group in the income statement.

Translation of financial statements in foreign currency

The financial statements of each of the Group's subsidiaries and associates are prepared using their functional currency, which is defined as the currency of the economy in which such subsidiaries and associates operate. The Group's consolidated financial statements are prepared in euros, which is Haitong Bank's functional currency.

The Group's financial statements whose functional currency is other than the euro are translated into euros, in accordance with the following criteria:

- Assets and liabilities are converted at the exchange rate as at the date of the statement of financial positions;
- Income and expenses are converted based on the application of exchange rates approximated to the real rates as at the date of each transaction; and
- Exchange rate differences determined between the conversion amount in euros of the financial position at the beginning of the year and its amount converted at the exchange rate in force as at the date of statement of financial position to which the consolidated accounts relate are accounted for against reserves. Similarly, regarding the subsidiaries' and associated companies' results, the exchange differences arising from the translation of income and expenses at the rates ruling at the dates of the transactions and that determined at the statement of financial position date are recorded in reserves. As at the date of the company's divestiture, such differences are recognised in the income statement as an integral part of the gain or loss arising from the divestiture.

Balances and transactions eliminated on consolidation

The balances and transactions between companies of the Group, including any unrealized gains or losses arising from intra-group transactions, are eliminated on the consolidation process, except for the cases where the unrealized losses reveal an impairment which should be recognized in the consolidated accounts.

2.3. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are converted at the exchange rate in force as at the date of the transaction. The monetary assets and liabilities denominated in foreign currency are converted into Euros at the exchange rate in force at the date of the statement of financial position. The exchange rate differences arising from such conversion are recognised in the income statement.

Non-monetary assets and liabilities accounted for at historical cost, expressed in foreign currency, are converted at the exchange rate as at the transaction date. Non-monetary assets and liabilities denominated in foreign currency and recorded at amortised cost at fair value are converted at the exchange rate in force on the date the amortised cost of fair value was determined. The resulting exchange differences are recognised in the income statement under "Exchange revaluation results".

2.4. FINANCIAL INSTRUMENTS

2.4.1 Financial assets classification

At the initial recognition, financial assets are classified into one of the following categories:

- a)** Financial assets at amortised cost;
- b)** Financial assets at fair value through other comprehensive income; or
- c)** Financial assets at fair values through profit or loss, namely:
 - i. Financial assets held for trading; and
 - ii. Non-trading financial assets mandatorily at fair value through profit or loss.

Financial assets classification and measurement depends on the SPPI test results (assessment if the contractual cash flows characteristics, in order to conclude if it corresponds solely payments of principal and interests) and on the business model, under which they are managed.

a) Financial assets measured at amortised cost

A financial asset is classified under the category “Financial assets at amortised cost” if both the following conditions are met:

- i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows (hold to collect business model); and
- ii. The contractual terms of the financial asset establish cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding (SPPI).

The “Financial assets at amortised cost” category mainly includes loans and advances to banks and loans and advances to customers.

b) Financial assets at fair value through other comprehensive income

A financial asset is classified under the category of “Financial assets at fair value through other comprehensive income” if both of the following conditions are met:

- i. The financial asset is held within a business model whose objective is to both collect contractual cash flows and sell financial assets (hold to collect and sell business model); and
- ii. The contractual cash flows occur on specified dates and are solely payments of principal and interest on the principal amount outstanding (SPPI).

In addition, in the initial recognition of a capital instrument that is not held for trading, nor a contingent consideration by an acquirer in a concentration of activities to which IFRS 3 applies, the Group may irrevocably choose to classify it in the category of “Financial assets at fair value through other comprehensive income”. This option is exercised on a case-by-case basis, investment by investment and is only available for financial instruments that comply with the definition of equity instruments set forth in IAS 32 and cannot be used for financial instruments whose classification as a capital instrument in the issuer is made under the exceptions provided in paragraphs from 16A to 16D of IAS 32. Currently, the Bank does not hold instruments for which they applied this irrevocable option under IAS 32, and only debt securities were classified in this category.

In 2026 and 2025, the Bank did not hold any instruments for which it applied this irrevocable option provided for under IAS 32, having classified only debt securities under this category.

c) Financial assets at fair value through profit or loss

A financial asset is classified in the category of “Financial assets at fair value through profit and loss” if the business model defined by the Bank for its management is to hold it for trading purposes or because of the characteristics of its contractual cash flows is not appropriate to be classified in the previous categories (residual category and/or the instrument does not meet the SPPI test requirements).

Additionally, the Bank may irrevocably designate a financial asset that meets the criteria to be classified as “Financial assets at amortised cost” or “Financial assets at fair value through other comprehensive income”, at fair value through profit or loss, at the time of its initial recognition, if that eliminates or significantly reduces an accounting mismatch, which would otherwise result from the measurement of assets or liabilities or from the recognition of gains and losses thereon on different bases. The Group did not adopt this irrevocable option, having classified in this category:

- financial assets in the sub-category “Financial assets at fair value through profit or loss - financial assets held for trading”, when:
 - i. are originated or acquired for the purpose of trading in the short term;
 - ii. are part of a group of financial instruments identified and managed jointly for which there is evidence of recent actions with the aim of achieving gains in the short term; or
 - iii. are derivative instruments which do not comply with the definition of a financial guarantee and have not been designated as hedging instruments.

Gains and losses on financial assets and liabilities at fair value through profit or loss – Financial assets held for trading, that is, variations in fair value and interest on trading derivatives, as well as associated dividends received (if they effectively remunerate the invested capital) These portfolios are recognised under the heading “results from trading instruments” in the income statement.

- financial assets in the sub-category of “Financial assets at fair value through profit or loss - financial assets not held for trading necessarily at fair value through profit and loss” when:
 - i. debt instruments whose cash flows do not originate cash flows on specific dates, which are only payments of principal and interest on the amount of outstanding capital (SPPI); and/or
 - ii. equity instruments, which do not classify as held for trading.

Gains and losses on financial assets and liabilities at fair value through profit or loss, namely, changes in fair value, as well as the dividends received from these portfolios (if they get paid the invested capital), are recognized as “Net income from other financial instruments at fair value through profit or loss” in the income statement.

Business model evaluation for financial assets management

In relation to the evaluation of the business model, this does not depend on management intentions for an individual instrument, but on a portfolio of instruments, taking into account the way the portfolio of financial instruments is managed and its defined objectives, as well as the frequency, value, sales frequency in previous years, the reasons for such sales and expectations regarding future sales. Infrequent sales, close to the maturity of the asset due to increases in the credit risk of financial assets and/or to manage concentration risk, among others, may be compatible with the model of holding assets for the collection of contractual cash flows.

Evaluation if the contractual cash flows correspond to solely payments of principal and interest (SPPI)

If a financial asset contains a contractual clause which may modify the timing or value of contractual cash flows (such as early amortization clauses or extension of duration), the Group determines whether the cash flows that will be generated during the life of the instrument, due to the exercise of the contractual clause, are only payments of principal and interest on the value of the capital outstanding.

The contractual conditions of financial assets that, at the time of initial recognition, have an effect on cash flows or depend on the occurrence of exceptional or highly improbable events do not prevent their classification in the portfolios at cost amortised or at fair value through other comprehensive income.

Initial recognition

At initial recognition all financial instruments are recognised at their fair value. For financial instruments that are not recognised at fair value through profit or loss, the fair value is adjusted by the transaction costs directly attributable to their acquisition or issue. In the case of instruments at fair value through profit or loss, directly attributable transaction costs are recognised immediately in profit or loss.

Transaction costs are defined as expenses directly attributable to the acquisition or disposal of a financial asset or to the issue or assumption of a financial liability that would not have been incurred if the Group had not realized the transaction. If the Group considers that the costs are directly attributable to the transaction, they are specialized in results according to the effective interest rate method.

Subsequent measurement

After initial recognition, the Group proceeds to the subsequent measurement of the financial assets at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss.

The fair value of quoted financial assets is their current bid price. This price is estimated by the Bank according to a hierarchy that meets the IFRS 13 requirements. In the absence of a market quotation, the Bank estimates the fair value using valuation methodologies such as (i) the use of prices of recent transactions, similar and carried out under market conditions, (ii) discounted cash flow techniques and customized option valuation models in order to reflect the particularities and circumstances of each instrument, and (iii) whenever possible, the Group uses valuation assumptions based on market information. These methodologies also incorporate credit risk and counterparty risk. These methodologies may require the use of assumptions or judgments in the estimate of fair value.

The income and expenses of financial instruments at amortised cost are recognised in accordance with the following criteria:

- a) Interest and premium/discount are recognised in the income statement using the effective interest rate of the instrument on the gross book value of the instrument (except for assets with impairment, where the interest rate is applied on the net book value of impairment);
- b) Exchange differences are recognised in the income statement; and
- c) Impairment losses or recovery gains are recognised in the income statement under the heading "Impairment on financial assets"
- d) Other changes in value will be recognised as income or expense when the instrument is derecognised from the balance sheet, when it is reclassified, and in the case of financial assets, when there are impairment losses or recovery gains.

Income and expenses of financial instruments at fair value through profit or loss are recognised according to the following criteria:

- a) Changes in fair value are recognised directly in profit or loss, separating between the portion attributable to the income of the instrument, which is recognised as interest or as dividends according to their nature, and the remainder, which is recognised as results in the corresponding account;
- b) Exchange differences are recognised in the income statement; and
- c) Interests and premium/discount on debt instruments are measured using the effective interest rate method and are recognised in the financial margin.

Income and expenses from financial instruments at fair value through other comprehensive income are recognised according to the following criteria:

- a) Interest and premium/discount have a procedure equal to that of assets at amortised cost;
- b) Foreign exchange differences are recognised the income statement;
- c) Impairment losses or gains on its recovery are recognised in the income statement results under the heading "Impairment in financial assets";
- d) Losses or gains associated to hedge accounting are cognised in the income statement "Results of derecognition of financial assets at fair value through other comprehensive income"; and
- e) The remaining changes in value are recognised in other comprehensive income.

Thus, when a debt instrument is measured at fair value through other comprehensive income, the amounts recognised in profit or loss for the period are the same as those that would be recognised if measured at amortised cost.

When a debt instrument measured at fair value through other comprehensive income is derecognised, the gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or change does not result in the derecognition of the financial asset in accordance with the policy adopted by the Bank, the Bank recalculates the gross amount of the financial asset and recognises a gain or loss arising from the difference from the previous amortised cost against profit or loss. The gross amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows discounted at the original effective interest rate of the asset.

Reclassifications between categories of financial instruments

Only if the Group decides to change its business model for the management of a portfolio of financial assets. In this case, all financial assets affected would be reclassified in accordance with the requirements of IFRS 9. This reclassification would be applied prospectively from the date of reclassification. According to the approach of IFRS 9, these reclassifications must be infrequent, decided by the senior management resulting from events beyond the Bank's control and demonstrable to external entities.

Derecognition criteria

The Bank derecognises a financial asset in the following situations:

- a) when transferring that asset and, as a result of such transfer, all the risks and benefits of that asset are transferred to another entity;
- b) when a significant change in the counterparty structure of that asset occurs; and/or
- c) when a significant change on the asset terms and conditions occurs.

Loans and debt instruments written-off

The Group writes off a loan when it does not have reasonable expectations to recover a financial asset in its entirety or a portion thereof. This registration occurs after all the recovery actions developed by the Group proved to be fruitless. Loans written off are recognised in off-balance sheet accounts.

Eventual recoveries after the instrument received the write-off must be recognised as extraordinary gains, with an impact in the financial statement in other operational results.

Purchase or originated credit impaired assets

Purchase or originated credit impaired (POCI) assets are credit-impaired assets on initial recognition. An asset is credit-impaired if one or more events have occurred that have a detrimental impact on the estimated future cash flows of the asset.

The two events that led to the origination of a POCI exposure are presented as follows:

- financial assets arising from a recovery process, where there have been changes to the terms and conditions of the original agreement, which presented objective evidence of impairment that resulted in its derecognition and recognition of a new contract that reflects the credit losses incurred; and/or
- financial assets acquired with a significant discount, that the existence of a significant discount reflects credit losses incurred at the time of its initial recognition.

On initial recognition, POCI assets do not carry an impairment loss. Instead, lifetime expected credit losses are incorporated into the calculation of the effective interest rate. Consequently, at initial recognition, the gross book value of POCI (initial balance) is equal to the net book value before being recognised as POCI (difference between the initial balance and total discounted cash flows).

Impairment of financial assets

The Group determines impairment losses on debt instruments measured at amortised cost and at fair value through other comprehensive income, as well as for other exposures that have associated credit risk such as bank guarantees and commitments.

The IFRS 9 requirements aim to recognise expected losses, assessed on an individual and collective basis, considering all reasonable, reliable and reasoned information available, without incurring undue costs or efforts, at each reporting date, including forward-looking information.

The impairment losses of debt instruments in the exercise are recognised as a cost under the heading Impairment of Financial Assets in the Income Statement. The Group registers the impairment losses on debt instruments measured at amortised cost against a cumulative balance sheet impairment account, which reduces the book value of the asset. The Group recognises the impairment losses on debt instruments measured at fair value through Other Comprehensive Income against the fair value reserve, whereby its recognition does not reduce the balance sheet value of the financial instruments.

Impairment losses on exposures that have associated credit risk, and which are not debt instruments (namely, guarantees and other irrevocable commitments), are registered by means of a provision under "Provisions" on the liability side. Increases and reversals are recorded in the heading Provisions net of annulments.

Impairment Model

Under IFRS 9, the Group determines the expected credit losses (ECL) using a forward-looking model. The expected credit losses over the lifetime of financial instruments are required to be measured through a loss allowance. Accordingly, the calculation of ECL incorporates macroeconomic factors, as well as other forward-looking information, whose changes impact expected losses.

The instruments subject to impairment are divided into three stages, taking into account their level of credit risk since its initial recognition, as follows:

- **Stage 1 – Performing:** financial assets for which there was no significant increase in credit risk from the moment of initial recognition. In this case, the impairment will reflect ECL resulting from default events that may occur in the next 12 months after the reporting date;
- **Stage 2 – Under Performing:** financial assets for which there was a significant increase in credit risk has occurred since the initial recognition but for which there is no objective evidence of impairment. In this stage, impairment will reflect the ECL resulting from default events that may occur over the expected residual life of the instrument;
- **Stage 3 – Non-Performing:** financial assets for which there is objective evidence of impairment as a result of events that resulted in losses. In this case, the impairment amount will reflect the ECL over the expected residual life of the instrument.

The collective model implemented by the Group is applicable to all instruments classified in Stage 1 that do not show any warning signals, as well to determine the minimum lifetime expected credit losses, in the case of exposures with a significant increase in credit risk (Stage 2) since initial recognition, but which are not considered to be impaired.

In addition, the top 20 largest performing debtors are annually subject to a staging individual analysis, in order to trace early warning signals that may indicate the need to transfer to Stage 2.

Stage 2 exposures are analysed individually, confirming that there are no indications of unlikeliness to pay of the debtor and the events considered by Capital Requirements Regulation (CRR) in its definition of default and by IFRS 9 in the definition of impaired financial instruments, which could determine a transfer to Stage 3. Stage 2 exposures are subject to the application of a lifetime impairment rate to determine the minimum impairment rate applicable to financial instruments, using a lifetime collective model. All Stage 3 clients are subject to an individual impairment analysis.

At initial recognition, any instrument is allocated to Stage 1, except for purchased or originated credit impaired (POCI) financial instruments, which are allocated to Stage 3. For each reporting date, an assessment of the change in the risk of a default occurring over the expected life of the financial instrument is performed.

An increase in the risk of default may result in a transfer from Stage 1 to Stage 2 or Stage 3. If the risk of default of a financial asset is low or has not increase significantly since initial recognition, it remains in Stage 1 with a 12-months ECL. Otherwise, if there is a significant increase in credit risk compared with the initial recognition, the result would be a transfer into Stage 2 and, consequently to the recognition of the lifetime ECL over the residual life of the financial asset. A transfer into Stage 3 is required when objective evidence for a credit loss appears.

When a financial asset is no longer assessed to be impaired (Stage 3), it is reclassified to Stage 2, after its due probation period. It is assumed that when a financial asset recovers from Stage 3, it will still have a demonstrated significant increase in credit risk since initial recognition and must therefore be included in Stage 2. From that date on, the impairment will continue to be recognised based on lifetime expected credit losses.

A probation period was established for when a financial asset ceases to be classified in Stage 3, which is defined as 3 months from the moment that the obligor is no longer past due more than 90 days on any material credit obligation, if applicable, and no indication of unlikeliness to pay applies. The probation period for non-performing forbore exposures is longer (12 months). Performing forbore exposures should accomplish a minimum 24-month period in order to be reclassified on Stage 1, whereas throughout that period the debt sustainability should be proved.

Note 39 – Risk Management discloses the inputs of the Group’s collective impairment model, as well as the adjustments made to incorporate forward-looking information.

Expected Credit Losses

According to IFRS 9, the expected credit loss for financial assets is the present value of the difference between (1) the contractual cash flows that are due to an entity under the contract, and (2) the cash flows that the entity expects to receive. The recognition of an impairment allowance is required on financial assets measured on an Amortised Cost (AC) or Fair Value through Other Comprehensive Income (FVOCI) basis. Given that, the financial asset types that should have impairment assessment are the following:

- Loans and advances to customers;
- Loans and advances to banks;
- Debt securities;
- Other assets - debtors and other receivables;
- Cash and cash equivalents;
- Guarantees and other financial commitments to third parties.

The expected credit losses correspond to estimates of credit loss that will be determined as follows:

- Financial assets with no signs of impairment at the reporting date (Stage 1 – Performing): correspond to expected credit losses that result from a default event that may occur within 12 months after the reporting date (credit losses expected at 12 months);
- Financial assets with a significant increase in credit risk or with impairment at the reporting date (Stage 2 – Under Performing and Stage 3 – Non-Performing): correspond to the expected lifetime credit losses calculated by the difference between the gross accounting value and the net present value of the estimated cash flows weighted, for assets in Stage 2, by the prospect of default;
- Unused credit commitments: correspond to the present value considering the amount of the unused commitment as of the reference date multiplied by the credit conversion factor, the probability of default and the loss given default;
- Financial guarantees: the impairment is determined by the difference between the net present value of expected repayments less the amounts the Group expects to recover.

Significant increase in credit risk

Under IFRS 9, in order to determine whether there has been a significant increase in credit risk since the initial recognition of the financial instrument, the Group considers all relevant information available without incurring undue costs or efforts.

The Group identifies the occurrence of a significant increase in credit risk exposure through three approaches: (i) quantitative approach; (ii) identification of internally defined backstops (warning signals); and (iii) early warning signals (EWS) assessment in order to trace certain events and/or circumstances that could indicate a SICR.

Additionally, the Group assesses the significant increase in credit risk through a quantitative approach that was updated in 2023. To that end, the Group defined a transition matrix based on its internal pricing methodology. The approach involves the comparison between the rating of the financial instrument as at the reporting date vis-à-vis the rating as the date of initial recognition, and the credit risk deterioration required for a Stage 2 reclassification will vary depending on the rating initially assigned to the financial instrument.

The internal warning signals in use are the following: (i) delay of payments (including capital, interest, fees or other charges) of more than 30 days; (ii) registration of at least one customer's loan in arrears in the Central Credit Register (CCR) from Banco de Portugal, or in other central credit or insolvency registers; (iii) debt restructuring towards a debtor facing and/or about to face financial difficulties in meeting its financial commitments (with no indication of unlikelihood to pay); (iv) overdue debts to tax agency, social security and/or to employees; (v) deals with a credit spread increase superior to 30% since their origination; and (vi) other specific situations (ad-hoc) criteria). The Group identifies a SICR in the following circumstances: (a) debtors with one of the triggers (i), (iii), (v) and (vi) activated; and (b) debtors with triggers (ii) and (iv) simultaneously activated.

Early warning signals assessment of the Top 20 performing largest exposures are subject to the annual review by the Impairment Committee and Executive Committee in order to confirm that the largest debtors do not display any warning signals that convene a transfer to Stage 2. The Impairment Committee and Executive Committee are also held to come up with a decision in the events of: (i) clients with at least 3 active triggers in the Early Warning Signals (EWS) questionnaire; (ii) clients with a rating change of at least 4-notches downgrade but remaining within an investment grade during the period; and (iii) deals with a credit spread increase superior to 30% since their origination.

Additionally, the Group implemented an internal procedure to quarterly elaborate an EWS assessment, covering all clients classified in Stage 1, thus enabling the timely manner identification of indicators which suggest a significant increase in credit risk, and encompassing all clients classified in Stage 1 and 2, allowing for the timely manner identification of indicators that may suggest unlikelihood of payments by the debtors.

According to internal procedures defined by the Group, when there is a significant increase in the credit risk of a debtor, the financial instruments are subject to individual analysis, confirming that there are no indications of unlikelihood to pay of the debtor and the events considered by CRR in its definition of default and by IFRS 9 in the definition of impaired financial instruments, which could cause a transfer to Stage 3. The exposures properly classified in Stage 2 are subject to the use of a lifetime impairment rate determined using a lifetime collective model to determine the minimum impairment rate applicable to financial instruments.

Default definition

Under IFRS 9, the Group considers its financial assets to be in default by applying the same definition that is applied for prudential purposes. Thus, Haitong Bank Group defined default as incorporating the following criteria: 1) material exposures which are more than 90 days past due; 2) the debtor is assessed as unlikely to pay credit obligations, without collateral claim, regardless of the existence of any past due amount or of the number of days past due; and 3) if 20% of the exposures of one obligor are determined as non-performing, all other exposures should be considered non-performing (“pulling effect”).

In what regards unlikelihood to pay criteria, the Group addresses the following situations: i) distressed restructurings; ii) clients with loans written-off of interest or capital; iii) the Group sells the credit obligation at a material (more than 5%) credit-related economic loss; iv) the obligor has been placed (or is likely to be placed) in bankruptcy or similar creditor’s protection; v) interest related to credit obligations is no longer recognised (non-accrued status) in the income statement (part or under conditionality); and vi) other conditions (ad-hoc) that may suggest unlikelihood of payments by the debtor.

The definition of default adopted by the Group complies with article 178 of the CRR and follows the European Banking Association (“EBA”) definition of non-performing exposures (“NPE”) requirements according to its final report on the application the definition of default (EBA/GL/2016/07).

On June 30, 2024, the Group classified as non-performing exposures the amounts receivable relating to commissions for services rendered and which are overdue for more than 90 days, as well as other assets relating to credits or debt securities in default that were targeted of a recovery process, being directly dependent on legal actions against the original debtors.

Forbearance definition

The internal definition of forbearance, i.e., exposures which were subject to restructuring measures due to the debtor’s financial difficulties, follows the regulatory definition. A forbearance measure is a concession by the Bank towards an obligor that is experiencing or is likely to experience difficulties in meeting its financial commitments. An exposure can only be forborne if the debtor is facing financial difficulties that have led the Group to make a concession.

A concession may entail a loss for the Group and shall refer to either of the following actions:

- i. a modification of the previous terms and conditions of a contract that the debtor is considered unable to comply with due to financial difficulties, resulting in insufficient debt service ability and that would not have been granted had the debtor not been experiencing such difficulties;
- ii. a total or partial refinancing of a troubled debt contract that would not have been granted had the debtor not been experiencing financial difficulties.

When granting forbearance measures to performing exposures with significant increase in credit risk, the Group assesses whether these measures lead to a reclassification of that exposure as non-performing, being this assessment subject to compliance with the following conditions:

- a) If the difference between the net present values of cash flows before and after the restructuring arrangement exceeds a certain threshold (1%), the exposure is considered to be non-performing;
- b) If there are other indicators that may suggest an unlikelihood to pay of the debtor.

The definition of forbearance adopted by the Group follows Article 47 B of the CRR, the principles of the European Central Bank and the reference criteria applicable to forborne exposures set by Banco de Portugal under the Carta Circular CC/2018/0000062, from November 2018.

2.4.2 Hedge accounting

The Group uses financial derivatives as a financial risk management tool, mainly on hedge interest rate risk. When these transactions meet certain IFRS requirements, they qualify for hedge accounting. All other derivatives are classified as trading derivatives.

The Group accordingly applies the provisions of IFRS 9 for hedge accounting.

The Group maintains the hedging relationship documentation, which includes the identification of the hedging instrument and of the hedged element, the nature of the risk to be hedged and the way in which the Group assesses whether the hedging relationship meets the requirements of hedging effectiveness. To ensure that the effectiveness requirement is met:

- a) There must be an economic relationship between the hedged item and the hedging instrument;
- b) the credit risk of the hedged item's counterparty or of the hedging instrument should not have a dominant effect on changes in value resulting from said economic relationship; and
- c) the coverage ratio of the hedge accounting relationship, understood as the share of the item hedged by the hedging instrument, must be the same as the coverage ratio used for management purposes.

Fair value hedge

In a fair value hedging operation of an asset or liability, the balance sheet value of this asset or liability, determined based on the respective accounting policy, is adjusted in order to reflect the variation in its fair value attributable to the hedged risk.

Variations in the fair value of hedge derivatives are recognised in the income statement, together with the variations in fair value of the hedged assets or liabilities, attributable to the hedged risk. These variations are recognised as hedging accounting in the income statement.

If the hedge no longer meets the criteria of enforceability of the hedge accounting the derivative financial instrument is transferred to the trading portfolio and hedge accounting is discontinued prospectively. Regarding the hedging asset or liability, the adjustment to the book value of the hedged instrument is amortised in results for the remaining period of useful life of the hedged item. If the hedged instrument is sold, the adjustment to the book value of the hedged instrument is totally recognised in profit or loss for the period.

2.4.3 Financial liabilities

Classification, initial recognition and subsequent measurement

At initial recognition, financial liabilities are classified in one of the following categories:

- Financial liabilities at amortised cost; or
- Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss

Classification

Liabilities that have not been classified at fair value through profit or loss are measured at amortised cost. The 'Financial liabilities at amortised cost' category includes deposits from credit institutions, deposits from customers and liabilities represented by securities.

Financial liabilities classified under “Financial liabilities at fair value through profit or loss” include:

a) Financial liabilities held for trading

In this balance are classified the issued liabilities with the purpose of repurchasing it in the near term, the ones that form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or is a derivative.

b) Financial liabilities designated at fair value through profit or loss (“Fair Value Option”)

The Group may irrevocably assign a financial liability at fair value through profit or loss at the time of its initial recognition if at least one of the following conditions is met:

- The financial liability is managed, evaluated and reported internally at its fair value;
- The designation eliminates or significantly reduces the accounting mismatch; and
- The liability includes an embedded derivative.

The fair value of quoted financial liabilities is their quoted value (ask-price). In the absence of a quotation, the Group calculates fair value by using valuation techniques considering assumptions based on market information, including in determining the issuer’s own credit risk.

If the Group repurchases an issued debt, it shall be derecognised from the consolidated statement of financial positions, and the difference between the liability’s carry amount and the repurchased value is accounted directly in the income statement.

Initial recognition and subsequent measurement

Considering that the transactions carried out by the Group in the normal course of its business are made in market conditions, financial liabilities at fair value through profit or loss are initially recognised at fair value with the costs or income associated with the transactions recognised in profit or loss at the initial moment.

Subsequent changes in the fair value of these financial liabilities are recognised as follows:

- The amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability shall be presented in other comprehensive income; and
- The remaining amount of change in the fair value of the liability is directly recognised in profit or loss.

The accrual of interest and the premium / discount (when applicable) is recognised on “Interest and similar expenses” based on the effective interest rate of each transaction.

Financial liabilities at amortised cost

Classification

Financial liabilities that were not classified at fair value through profit or loss, or correspond to financial guarantee contracts, are measured at amortised cost.

The category “Financial liabilities at amortised cost” includes Resources of credit institutions, Resources of customers and Debt securities issued.

Initial recognition and subsequent measurement

Financial liabilities at amortised cost are initially recognised at fair value, plus transaction costs directly attributed according to the IFRS9, and are subsequently measured at amortised cost. Interests on financial liabilities at amortised cost are recognised on “Interest and similar expenses”, based on the effective interest rate method.

Reclassification between categories of financial liabilities

Reclassifications of financial liabilities are not allowed.

Derecognition of financial liabilities

The Group derecognises financial liabilities when they are cancelled or extinct. Financial liabilities are derecognised based on the settlement date.

2.4.4 Interest recognition

Interest income and expense for financial instruments measured at amortised cost are recognised in “Interest and similar income” and “Interest expense and similar expenses”, through the effective interest rate method. The interest at the effective rate related to financial assets and liabilities at fair value through other comprehensive income are also recognised in net interest income.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument (or, when appropriate, for a shorter period), to the net carrying amount of the financial asset or financial liability.

For calculating the effective interest rate, the Group estimates futures cash flows considering all contractual terms of the financial instrument (for example: early payment options) but without considering future impairment losses. The effective rate includes all eventual fees paid or received considered as included in the effective interest rate, transaction costs and all other premiums or discounts directly related to the transaction, except for assets and liabilities at fair value through profit and loss (the referred commissions are recognised directly in the income statement).

Interest income recognised in income associated with contracts classified in stage 1 and 2 are determined by applying the effective interest rate for each contract on its gross book value. The gross balance of a contract is its amortised cost, before deducting the respective impairment. For financial assets included in stage 3, interests are recognised in the income statement based on its net book value (less impairment). The interest recognition is always made in a prospective way, i.e. for financial assets entering in stage 3 interests are recognised on the amortised cost (net of impairment) in subsequent periods.

For purchase or originated credit impaired assets (POCIs), the effective interest rate reflects the expected credit losses in determining the expected future cash flows receivable from the financial asset.

As for derivative financial instruments, the interest component arising from changes in fair value is not separated and is therefore presented in the income statement under trading assets and liabilities and hedge results.

2.4.5 Financial guarantees

Financial guarantees are contracts which require its issuing entity to make payments to reimburse the holder for incurred losses resulting from breaches of the contractual terms set forth in debt instruments, namely the payment of the corresponding capital and/or interest.

Issued financial guarantees are initially recognised at their fair value. Subsequently, such guarantees are measured at the higher of (i) the initially recognised fair value and (ii) the amount of any financial obligation arising as a result of guaranteed contracts, measured at the statement of financial positions date. Any change in the amount of the liability relating to guarantees is taken to the income statement.

Financial guarantees issued by the Group usually have a set maturity and a periodic fee charged in advance, which varies in accordance with the counterparty risk, amount and maturity date of the contract performed under market conditions. On that basis, the guarantees' fair value as at the date of initial recognition thereof is approximately zero, by considering that the agreed conditions are market conditions. Therefore, the amount recognised at the contract date is equal to the amount of the initial received fee, which is recognised in income statement for the period thereof. Subsequent fees are recognised in income statement for the period to which they relate.

2.4.6 Performance guarantee contracts

Performance guarantees are contracts that provide compensation if another party fails to perform a contractual, commercial or legal obligation.

Where the performance guarantee provides the Group with contractual indemnification rights to recover any payments made to the guarantee holder from the applicant and such rights are covered by collateral, they are treated as a loan commitment provided to the applicant, if the bank concludes that there is no event with commercial substance that could cause the bank to incur an overall loss on the guarantee arrangement.

Such performance guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight line basis over the life of the contract.

At the end of each reporting period, the performance guarantee contracts are measured at the higher of (i) the unamortised balance of the amount at initial recognition and (ii) the amount of the loss allowance determined based on the expected credit loss model.

2.5 ASSETS SOLD WITH REPURCHASE AGREEMENT AND SECURITIES LENDING

Securities sold subject to repurchase agreement (repos) at a fixed price or at a price equal to that of the sale plus interest inherent to the maturity of the transaction are not derecognised from the statement of financial position. The corresponding liability is accounted for in amounts due to banks or to customers, as appropriate. The difference between the sale value and the repurchase value is treated as interest and is deferred while the agreement is in force, using the effective interest rate method.

Securities bought with a resale agreement (reverse repos) at a fixed price or at a price equal to that of the sale plus interest inherent to the maturity of the transaction are not recognised in the statement of financial position, and the purchase value is accounted for as loans and advances to banks or customers, as appropriate. The difference between the purchase value and the resale value is treated as interest and is deferred while the agreement is in force, using the effective interest rate method.

Securities assigned through loan agreements are not derecognised from the statement of financial positions, being classified and measured in accordance with the accounting policy applicable. Securities received through loan agreements are not recognised in the statement of financial positions.

2.6 EQUITY INSTRUMENTS

Securities assigned through loan agreements are not derecognised from the statement of financial positions, being classified and measured in accordance with the accounting policy applicable. Securities received through loan agreements are not recognised in the statement of financial positions.

An instrument is classified as equity instrument only if:

- i. The instrument includes no contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable conditions for the issuer; and
- ii. The instrument will or may be settled in the issuer's own equity instruments, it is either a non-derivative that includes no contractual obligation on the issuer to deliver a variable number of its own equity instruments or a derivative that will be settled only by the issuer exchanging a fixed amount in cash or another financial asset for a fixed number of its own equity instruments.

Costs directly attributable to the issuing of equity instruments are accounted for under equity, as a deduction to the issuing amount. Amounts paid and received by the purchase and sale of equity instruments are accounted for under equity, net of transaction costs.

When declared, distributions to holders of an equity instrument are deducted directly from equity as dividends.

2.7 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are presented in statement of financial position at net value when there is a legal possibility of offsetting the recognised amounts and there is an intent of settlement thereof by their net value, or to simultaneously realise the asset and settle the liability. This legal possibility cannot depend on future events and must be enforceable in the course of the Group's activity, or even in the event of insolvency or bankruptcy of the Group or its counterparties.

2.8 OTHER TANGIBLE ASSETS

The Group's other tangible assets are measured at historical cost, less their corresponding accumulated depreciations and accumulated impairment losses. The historical cost includes expenses directly attributable to the acquisition of the assets.

The subsequent costs with other tangible assets are only recognised when it is probable that future economic benefits associated with them will flow to the Group. All repair and maintenance costs are charged to the income statement during the period in which they are incurred, on the accrual basis.

Land is not depreciated. The depreciations of other tangible assets are calculated based on the straight-line method, at the following depreciations rates reflecting the expected useful life of the goods.

	Number of Years
Owned Real Estate	35 to 50
Improvements in leasehold property	4 to 10
Computer Equipment	3 to 6
Indoor Installations	4 to 10
Furniture and supplies	3 to 10
Safety Equipment	4 to 10
Tools and Machines	4 to 10
Transportation Material	4 to 5
Other Equipment	2 to 10

The useful life of other intangible assets is reviewed in each financial report, so that the practiced depreciations are in accordance with the consumption patterns of the assets. Changes to the useful life is treated as a change in the accounting estimate and are prospectively applied.

As defined in IAS 36, when there is evidence that an asset may be impaired, its recoverable amount is required to be estimated, and an impairment loss shall be recognised whenever the net value of an asset exceeds its recoverable amount. Any impairment losses are recognised in the income statement.

The recoverable amount is determined as the highest amount between its fair value deducted from the sale costs and its value in use, the latter being calculated based on the net present value of the estimated future cash flows expected to be obtained from the continued use of the asset and of its disposal at the end of its useful life.

Gains or losses on the sale of assets are determined by the difference between the realizable value and the book value of the asset and are recognised in the consolidated income statement.

Regarding properties received in lieu of payment, these are recorded under 'other assets' as at 31 December 2025, as they do not meet the recognition criteria set out in IFRS 5. These properties are measured at the lower of the transfer value and their fair value less costs to sell. The measurement of these assets, and consequently the related impairment losses, is supported by valuations performed by independent certified appraisers, which incorporate various assumptions, including those relating to real estate market developments and the asset's highest and best use.

2.9 INTANGIBLE ASSETS

Intangible assets are only recognised when: i) they are identifiable; ii) it is likely that they will generate future economic benefits; and iii) its cost can be reliably measured.

Haitong only recognizes intangible assets related to software. Costs incurred with the purchase, production and development of software are capitalised, as well as additional expenses required for its deployment, which are borne by the Group. Costs directly related to the development of software applications are recognised and accounted for as intangible assets if they are expected to create future economic benefits beyond one financial year.

Expenditure on internal software development is recorded as an expense when incurred, whenever it is not possible to distinguish the research phase from the development phase, or it is not possible to reliably determine the costs incurred in each phase or the probability of economic benefits flowing to the Group.

SaaS (Software as a Service) are service contracts that provide the Group with the right to access software from a supplier via cloud solutions for a certain period.

Costs incurred to configure or customize and usage fees to gain access to the software are recognised as operating expenses as services are provided.

If there are costs incurred related to the specific development of SaaS (Software as a Service) that improves, modifies, or creates additional capabilities, and that meets the definition and criteria set out in IAS 38 for recognition via an intangible asset. These costs are recognised as intangible software assets and amortized over the useful life of the software.

The useful lives of intangible assets are reviewed in each financial report, so that amortization practiced is in accordance with the consumption patterns of the assets. Changes to useful lives are treated as a change in accounting estimate and are applied prospectively.

All remaining charges associated with Information Technology services are recognised as costs when incurred.

2.10 LEASE ACCOUNTING (IFRS 16)

As set out in IFRS 16, at the beginning of a contract, the Group assesses whether a contract is or contains a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - i. the Group has the right to operate the asset; or
 - ii. the Group designed the asset in a way that predetermines how and for what purpose it will be used.

As provided for in IFRS 16, the Group chose not to apply the requirements of this standard to short-term lease contracts, less than or equal to one year, and to lease contracts in which the underlying asset has a low value (up to 5,000 EUR). The option of not applying this standard to leases of intangible assets was also used.

As a lessee

The Group recognises a right-of-use asset in Other Tangible Assets and a lease liability in Other Liabilities at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments contractually estimated. The lease payments must be discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Bank is reasonably certain to exercise, lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Bank has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Bank recognises the costs associated to those leases directly in the income statement as general administration expenses.

As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘other income’. However, when the Group was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

Currently, the Group does not carry out sale and leaseback operations.

2.11 EMPLOYEE BENEFITS

Pensions

Portugal

Following the signature of the Collective Labor Agreement (“Acordo Coletivo de Trabalho” (ACT)) for the banking sector and its subsequent amendments resulting from the 3 tripartite agreements described in Note 15, pension funds and other mechanisms were set up to cover liabilities assumed with pensions on retirement, disability, survival and health-care benefits.

The liabilities’ coverage is assured, for the Bank, by pension funds managed by Golden - Sociedade Gestora de Fundos de Pensões.

In Portugal, there are two defined benefit pension plans which are provided to the employees. The first plan results from the abovementioned ACT agreement and foreseen by its clauses 94th and 103rd. The second plan is complementary and was applicable for its participants and beneficiaries until the 30th of December of 2020. From this date, this plan exists exclusively for the respective beneficiaries and eventual future beneficiaries, by death of those. Defined benefit plans cover pension benefits to be received by employees during retirement, usually dependent on one or more factors such as age, years of service and salary level. On 30th of December of 2020, a new defined contribution plan was introduced, for which the previous participants of the complimentary plan were transferred – former employees with vested rights, as well as active employees.

The retirement pension liabilities are calculated semi-annually, on December 31 and June 30 of each year, for each plan individually, using the Projected Unit Credit Method, being annually reviewed by qualified independent actuaries. The discount rate used in this calculation is determined with reference to market rates associated with high-quality corporate bonds, denominated in the currency in which the benefits will be paid out and with a maturity similar to the expiry date of the plan’s liabilities.

The Group determines the net interest income / expense for the period incurred with the pension plan by multiplying the plan’s net assets / liabilities (liabilities net of the fair value of the fund’s assets) by the discount rate used to measure the retirement pension liabilities referred to above. On that basis, the net interest income / expense was determined based on the interest cost on the retirement pension liabilities net of the expected return on the funds’ assets, both calculated using the discount rate applied in the determination of the retirement pension liabilities.

Re-measurement gains and losses, namely (i) actuarial gains and losses arising due to differences between actuarial assumptions used and real values verified (experience adjustments) and changes in actuarial assumptions and (ii) gains and losses arising due to the difference between the expected return on the fund’s assets and the actual investment returns, are recognised in equity under the caption other comprehensive income.

The Group recognises as a cost in the income statement a net total amount that includes (i) current service costs, (ii) net interest income / expense with the pension fund, (iii) the effect of early retirement, (iv) past service costs, and (v) the effect of settlements or curtailments occurring during the period. The net interest income / expense with the pension plan is recognised as interest and similar income or interest expense and similar charges, depending on its nature. Early retirement costs correspond to increases in liabilities due to employees retiring before turning 65 years-old (normal retirement age foreseen in the ACT) and which forms the basis of the actuarial calculation of pension fund liabilities. Whenever the possibility of the early retirement provided for in the pension fund regulation is invoked, the responsibilities of same must be incremented by the value of the actuarial calculation of the liabilities corresponding to the period between the early retirement and the employee turning 65 years old. In the event of a settlement or unwind in a defined benefit plan, the difference between (i) the present value of the defined benefit obligation determined at the settlement date and (ii) the settlement amount, including the value of the plan assets to be transferred; is recorded in "Personnel costs".

The Group makes payments to the funds in order to ensure their solvency, with the minimum levels set by Banco de Portugal being: (i) the liability with pensioners must be totally funded at the end of each period, and (ii) the liability relating to past service costs for active employees must be funded at a minimum level of 95%.

The Group assesses the recoverability of any excess in a fund regarding the retirement pension liabilities, based on the expectation of reductions in future contributions or on the reimbursement of contributions made.

Other Geographies

In the remaining geographies, namely Spain, United Kingdom, Poland and Brazil, the Group provides defined contribution pension plans. In these cases, the contributions are previously defined and the benefits assigned at retirement will depend on the amount of the contributions made and the accumulated income.

Health-care benefits

Portugal

The Group provides its banking employees with health-care benefits through a specific Social-Medical Assistance Service. This Social-Medical Assistance Service (*Serviço de Assistência Médico-Social*, SAMS) is an autonomous entity which is managed by the respective Union.

SAMS provides its beneficiaries services and/or contributions with medical assistance expenses, diagnostics, medication, hospitalization and surgeries, in accordance with its funding availability and internal regulations.

SAMS also applies to employees' family members, in accordance with clause 110 "Beneficiaries" of the Banking Sector Collective Labor Agreement ("ACT")

Arising from the signature of the new Collective Labor Agreement (ACT) on July 5, 2016, published in Labor Bulletin (*Boletim do Trabalho*) no. 29, of August 8, 2016, the Group's contributions to SAMS as from February 1, 2017, correspond to a fixed amount (as per Annex VI of the new ACT) for each employee, 14 times a year.

The calculation and recognition of the Group's liability with post-retirement health-care benefits is similar to the calculation and recognition of the pension liability described above. These benefits are covered by the Pension Fund, which presently covers all liabilities with pensions and health-care benefits.

Other Geographies

In the remaining geographies, the Group provides local medical plans to its workforce that are complimentary to the national health services provided in each of the respective geography. Namely:

France

The Group provides to its Paris Office staff health-care supplementary insurance and personal insurance by engaging the insurance company Humanis Prévoyance.

Humanis Prévoyance provides the complementary refund of health-care expense for the part that is not refunded by the French Social Security, in addition to providing an indemnity to the staff member beneficiary in case of accident.

Spain

The Spain Branch provides health-care benefits to its employees through a health insurance company named ASISA, a private company which is responsible for covering medical expenses in case of diagnosis appointments, treatments, hospitalization, and surgeries.

Brazil

The Group provides its employees with healthcare benefits through a specific Medical Assistance Service. The company that provides access to disease treatment and health preservation coverage is the operator Care Plus, leader in the corporate healthcare segment in Brazil, and part of Bupa Global, one of the largest health insurers in the world.

Care Plus has its own network of affiliated doctors, as well as a reimbursement system for procedures and medical consultations, in addition to access to hospitals and laboratories throughout the national territory.

Macau

The Macau Branch provides its employees with healthcare benefits through the American International Assurance Group (“AIA”).

AIA is the largest publicly listed life insurance group in Asia-Pacific and provides its beneficiaries with worldwide medical coverage and group life insurance. AIA has an extensive network of affiliated doctors and clinics across the region, in addition to an accessible online reimbursement system at the disposal of its beneficiaries.

UK

In the London Branch, healthcare benefits for staff are administered via a designated Private Medical insurance with Bupa Health UK, the major health insurance provider in the UK and one of the largest worldwide. Employees have access to treatments for physical and mental health, treatment in private hospitals, private consultations, access to a digital GP service, out-patient care, and access to a network of labs throughout the UK.

Poland

Haitong Branch in Warsaw provides its employees with healthcare benefits through Medcover. Medcover, a private company, provides a wide range of healthcare services including outpatient and specialist care and access to a network of hospitals, laboratories and blood collection points provided under two divisions – Healthcare Services and Diagnostic Services. Medcover also provides our employees with the benefits required by occupational medicine.

Employees across geographies are covered by defined contribution plans.

Long-term service bonuses

In Portugal, under the new ACT, signed at the July 5, 2016, the long-term service bonus was replaced by a career bonus, payable immediately prior to the employee's retirement date, if the employee retires at the service of the Group, corresponding to 1.5 of his/her salary at the time of its payment.

The career bonus is accounted for by the Group in accordance with IAS 19, as a long-term employee benefit. The remeasurement effects and past service costs of this benefit are recognised in the income statement for the year, as occurred with the accounting model for long-term service bonuses.

The amount of the Group's liabilities with this career bonus is likewise periodically estimated based on the Projected Unit Credit Method. The actuarial assumptions used are based on expectations of future salary increases and mortality tables. The discount rate used in this calculation is determined applying the same methodology described above for retirement pensions.

Variable remuneration paid to employees

In accordance with IAS 19 - Employee benefits, variable remuneration (profit sharing, bonuses and others) granted to employees and, possibly, to executive members of administration bodies, is accounted for in profit or loss of its respective financial year.

2.12 INCOME TAXES

Income taxes comprise current and deferred taxes. Income taxes are recognised in income statement, unless when relating to items not directly recognised in equity, in which case they are also accounted for against equity. Taxes recognised in equity, as a result of the reassessment of financial assets at fair value through other comprehensive income, are subsequently recognised in income statement when the gains and losses which were in their origin are recognised in income statement.

Current taxes are those expected to be paid based on the taxable income which is calculated in accordance with the existing tax rules and by using the tax rate enacted or substantially enacted in each jurisdiction.

Deferred taxes are calculated in accordance with the liability method based on the statement of financial positions, on the temporary differences between the carry amount of assets and liabilities and their tax base, by using the tax rates which have been enacted or substantially enacted on the date of the statement of financial position in each jurisdiction and which are expected to be applied once the temporary differences are reversed.

Deferred tax liabilities are recognised for all taxable temporary differences, except for goodwill not deductible for tax purposes, of the differences arising out of the initial recognition of assets and liabilities which affect neither accounting profit nor taxable profit which do not result from simultaneous recognition in a single transaction and of differences relating to investments in subsidiaries insofar as it is not likely that they reverse in the future. Deferred tax assets are only recognised insofar as it is expected that there will be taxable profit in the future which will absorb the tax losses carried forward and the deductible temporary differences.

As of 1 January 2019, the Bank adopted the new interpretative standard of IAS 12 - IFRIC 23 - 'Uncertainty over Income Tax Treatments' - which to recommend the measurement requirements and recognition to be applied in the event of uncertainties regarding the acceptance of a given tax treatment by the Tax Administration concerning income tax and should reflect the entity's best estimate of the presumed outcome of the situation under discussion. This estimated value based on the expected value or the most probable value should be recorded by the entity as an asset or liability for income tax based on IAS 12 and not by IAS 37.

It should be noted that the period of tax losses utilization takes into account the exceptional measures to the COVID-19 pandemic under the terms of Law No. 27-A / 2020 (Supplementary State Budget for 2020), as well as provided in Law No. 24-D/2022, of December 30, which approved the State Budget for 2023, under which the time limitation for the deduction of tax losses calculated in a given tax period is eliminated. Changes to the reporting period apply to tax periods beginning on or after January 1, 2023, as well as to tax losses calculated in tax periods prior to January 1, 2023 whose deduction period is still in progress at that date. However, it should be noted that the new deadline does not apply to tax losses calculated in tax periods prior to January 1, 2023 in which one of the situations provided for in paragraph 1 of article 6 of the applicable special regime has occurred to deferred tax assets (namely, in the event of a negative net result).

The works developed in the level of the OECD/G20 inclusive Framework related to the called “Pillar 2” BEPS Pillar 2, resulted in the adoption of respective model rules at the EU level with the publication Council Directive (EU) 2022/2523, of 15th December 2022 (Pillar 2 Directive). In summary, this regime aims to ensure that the profits of multinational groups with revenues of more than 750 million euros are subjected to a minimum level of effective taxation of no less than 15% in all jurisdictions where they are established. This minimum taxation operates through a so-called Top-up Tax, the calculation and collection of which is primarily the responsibility of the jurisdiction where the so-called Ultimate Parent Entity (UPE) of the multinational group or an intermediate holding company of that group is located, in cases where the jurisdiction of the UPE does not adopt the income inclusion rule (IIR). However, when this mechanism is not activated, the Undertaxed Profits Rule (UTPR) is activated at the level of the companies held.

In Portugal, the Pillar 2 Directive was transposed into national law by the Law No. 41/2024, of November 8, whose Global Minimum Tax Regime («RIMG») also introduced a so-called Qualified Domestic Minimum Top-up Tax (QDMTT), through which Portugal will have priority in collecting any Pillar 2 complementary tax from entities located there. The RIMG will be in force from 2024, with the exception of the UTPR rule, which applies from 2025.

The approved legislation also provides for a set of the safe harbour rules, applicable during the first three years (2024 - 2026), aimed at minimizing the administrative effort of multinational groups in applying the Pillar 2 rules. Under the terms of these safe harbour rules, the Pillar 2 supplementary tax due in Portugal may be considered zero, upon verification of at least one of certain tests based on the Country-by-Country Report – CbCR.

The Bank, qualifies as an entity belonging to a multinational Group covered by the Pillar 2 regime, whose UPE is Haitong Securities Co.Ltd., headquartered in Shanghai, China. To the extent that the upstream entities in its holding chain are located in jurisdictions that do not yet apply the Pillar 2 regime, the Bank may be required for paying supplementary tax in Portugal related to the jurisdictions of its branches and subsidiaries in 2026, through the IIR, as well as for other Group entities from 2026 onwards, through the UTPR.

In this regards, the Bank has analysed the impacts of the application of this Law within its scope, with reference to 2025 and 2024 taking into special consideration the possibility of applying the transitional safe harbour rules mentioned in the previous paragraph.

It should be noted that the Bank applies the temporary exception provided in IAS 12 for the recognition and disclosure of information on deferred tax assets and liabilities related to income taxes resulting from the RIMG.

2.13 CONTINGENT ASSETS

Contingent assets are not recognised in the financial statements, being disclosed when it is probable that there will be a future economic inflow of resources following the treatment provided for by IAS 37.

2.14 PROVISIONS

Provisions are recognised when (i) the Group has a current, legal or constructive obligation, (ii) it is likely that its payment will be required and (iii) when the amount of such obligation may be estimated in a reliable manner.

When the effect of the passage of time (discounting) is material, the provision corresponds to the net present value of the expected future payments, discounted at an appropriate rate considering the risk associated with the obligation.

If it is not likely for payment to be required, it is a contingent liability. Contingent liabilities are only subject to disclosure, unless the likelihood of their realization is remote. Provisions for restructuring are recognised once the Group approves a formal and detailed restructuring plan, and such restructuring has been commenced or publicly announced on the reference date of the financial statements.

A provision for onerous contracts is recognised when the expected benefits of a formal contract are lower than the costs that the Group will inevitably incur in order to meet the obligations arising therefrom. This provision is measured based on the current lowest value between the contract termination costs or the net estimated costs of continuing the contract.

2.15 RECOGNITION OF FEE AND COMMISSION INCOME

Income from services and commissions are recognised when (or as) a performance obligation is fulfilled by transferring a service, based on the transaction price associated with that performance obligation, as follows:

- Income from services and commissions obtained for the performance of a given performance obligation, such as commissions in loan syndications, are recognised in profit or loss when each of the performance obligations has been completed; and
- Income from services and commissions obtained for the performance obligations fulfilled over time are recognised in profit or loss over the period in which these performance obligations are fulfilled;

Income from services and commissions which are an integral part of the effective interest rate of a financial instrument are accounted for in income statement by the effective interest rate method under the headings of interest income or interest expense.

2.16 SEGMENT REPORTING

The Group adopted IFRS 8 – Operating Segments for the disclosure of financial information by operating segments (see Note 4).

An operating segment is a component of the Group: (i) which engages in business activities from which it may earn revenues and incur expenses; (ii) whose operating results are regularly reviewed by the Group's chief operating decision makers to make decisions on the allocation of resources to the segment and assess its performance; and (iii) for which discrete financial information is available.

2.17 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit attributable to shareholders of the parent company by the weighted average number of ordinary shares outstanding, with the exclusion of the average number of own shares held by the Group.

For the calculation of diluted earnings per share, the weighted average number of ordinary shares outstanding is adjusted to reflect the effect of all dilutive potential ordinary shares, such as those arising out of convertible debt and of options granted to employees over own shares. The effect of the dilution is a decrease in earnings per share, resulting from the assumption that the convertible instruments are converted or that the granted options are exercised.

2.18 CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and its equivalents encompass the amounts accounted for in the statement of financial position whose maturity is less than three months from the date of acquisition/contract with immaterial risk of fair value fluctuation, which includes cash, deposits in Central Banks, deposits in other credit institutions and loans and advances to banks.

The flows from financial assets at fair value through other comprehensive income and at amortized cost are allocated to investment activities, in turn, the flows from financial assets at fair value through profit or loss are allocated to operating activities.

2.19 SUBSEQUENT EVENTS

The Group analyses events occurred after the balance sheet date, i.e., favourable and/or unfavourable events that occur between the balance sheet date and the date the financial statements were authorized for issue. In this context, two types of events can be identified:

- i) those that provide evidence of conditions that existed at the balance sheet data (events after the balance sheet date that give rise to adjustments); and,
- ii) those that are indicative of the conditions that arose after the balance sheet data (events after the balance sheet date that do not give rise to adjustments).

Events occurred after the date of the financial statements that are not considered as adjustable events, if significant, are disclosed in the notes to the consolidated financial statements in Note 40.

NOTE 3 – MAIN ESTIMATES AND JUDGEMENTS USED IN THE PREPARATION OF FINANCIAL STATEMENTS

The IFRS set forth a range of accounting treatments and require the Board of Directors to make the necessary judgements and estimates to decide on the most appropriate accounting treatment. These estimates were made considering the best information available at the date of preparation of the consolidated financial statements, considering the context of uncertainty that results from the in the current economic scope. The Group's main accounting estimates and judgements used thereby when applying the accounting principles are laid down in this Note with the purpose of improving the understanding on how the implementation thereof affects the Group's reported results and their disclosure.

A broader description of the main accounting policies used by the Group is shown in Note 2 to the consolidated financial statements.

Whereas in many situations there are alternatives to the accounting treatment adopted by the Board of Directors, the results reported by the Group could have differed if it adopted a different treatment. The Board of Directors believes that it made the appropriate choices, and that the consolidated financial statements give an adequate description of the Group's financial position and of the result of its operations in all material respects.

3.1. IMPAIRMENT LOSSES ON FINANCIAL ASSETS AT AMORTISED COST AND DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group periodically reviews financial assets at amortised cost and debt at fair value through other comprehensive income in order to accurately evaluate the existence of impairment, as referred on Note 2.4.1.

Individual analysis

The Risk Management Department identifies all exposures subject to individual staging analysis, encompassing: (i) Top 20 performing largest exposures; (ii) all under-performing (Stage 2) exposures; (iii) non-performing (Stage 3) exposures; (iv) clients with a rating change of at least 4-notches downgrade but remaining within investment grade; (v) deals with a credit spread increase superior to 30% since their origination; and (vi) clients with at least 3 active triggers in the *Early Warning Signals* questionnaire; and ensure that they are subject to an analysis by the Impairment Committee and Executive Committee. Stage 2 exposures are analysed individually, in order to verify the absence of indicative unlikelihood to pay of the debtor and the events considered by Capital requirements Regulations (CRR) in its definition of default and by standard IFRS 9 in the definition of impaired financial instruments, which could cause transfer to Stage 3.

The documentation supporting the individual analysis of cases to be discussed at the Impairment Committee and Executive Committee includes: a) historical information (exposure by contract and type, impairment rates in force, collateral and respective valuation); and b) recovery scenarios with expected cash flows discounted to the current date, using the effective interest rate that was determined at initial recognition, in order to obtain expected credit losses.

The recovery scenarios should be influenced by future prospects contemplating not only the most probable scenario (base case) but also alternative scenarios (optimistic or downside scenarios). For each of the scenarios presented, the respective assumptions and respective explanation is assured based on the activity of the company (incorporating data from the historical financial statements, certain events and other financial estimates when available), the value of collaterals (including the respective valuation methodologies) and sale or execution thereof. The recovery scenarios are weighted by their probability of occurrence.

Thus, the individual analysis' process is subject to various estimates and evaluations, including recovery predictions and valuation of existing collaterals.

The use of scenarios or alternative methodologies with other assumptions and estimates could result in different levels of impairment losses recognised, with a consequent impact on the Group's results.

Collective analysis

Impairment assessment on the collective basis is based upon the evaluation of the net present value of the expected cash flows for each loan, using pre-defined risk parameters supported by external information.

Taking into account the specificities of Haitong Bank Group credit portfolios, the collective model is based on external information for all the key risk parameters used. The main parameters used are: (i) Probability of Default (PD), (ii) Loss Given Default (LGD), (iii) Exposure at Default, (iv) Collateral haircut, and (v) Credit Conversion Factor (CCF) for off-balance exposures.

- Probability of Default (PD) reflects the likelihood of default. The Group takes into account Standard & Poor's (S&P) provided PD, whereas the rating assigning process is performed internally based on the S&P methodology, which ensures the alignment between internal risk management and the process of impairment calculation. The PDs published by S&P are, by their nature, Through-the-Cycle (TTC) PDs. As such, and in order to comply with the requirements of IFRS 9, the Group converts the aforementioned PDs to point-in-time (PiT) and forward-looking information. This conversion is carried out in accordance with an internal methodology that is based on the correlation of PDs published by S&P with selected explanatory macroeconomic variables.
- Loss Given Default (LGD) is the magnitude of loss at the time of default. The Group applies LGD based on Moody's benchmarks (recovery rates), depending on the type of debtor (*corporate* or *sovereign*) and the financial instrument's characteristics (collateralized or not).
- The Exposure at Default (EAD) for off-balance sheet exposures is determined as the amortized cost of the financial instrument based upon the effective interest rate method.
- The Group applies the Collaterals Haircut based on the regulatory capital requirements (CRR) eligibility criteria and haircut.
- Credit Conversion Factor (CCF) is based on the CRR where CCF applies to all guarantees and lines of credit (off-balance exposures).

The Group updated the inputs of the collective model in 2025 regarding the incorporation of forward-looking information, according to the information presented in Note 39 – Risk Management.

3.2. INCOME TAXES

The Group is subject to the payment of income taxes in various jurisdictions. Determining the aggregate amount of income taxes requires certain interpretations and estimates. There are several transactions and calculations for which determining the final amount of tax to be paid is uncertain throughout the normal course of business.

Other interpretations and estimates could result in a different level of income taxes recognized in the period, whether current or deferred.

The historical loss calculation in recent years justifies an assessment of the recoverability of deferred tax assets, but these results are significantly affected by extraordinary situations (eg. restructuring) that are not expected to occur in future years.

The assessment of the recoverability of Deferred Tax Assets (including the rate at which they shall be realized) was carried out by the Bank based on projections of its future taxable profit, such projections being specified from a business plan.

The estimate of future taxable profit involves a significant level of judgment regarding the future development of the Group's activity and the timing of execution of temporary differences. For such purpose, several assumptions were adopted, in particular the analysis of several scenarios due to an uncertainty about the fiscal treatment of a set of Bank realities.

Tax Authorities are required to review the calculation of the basis of assessment, made by the Bank, for a period of four years, except where any deduction or tax credit has been made, where the time-limit is the exercise of that right. Hence, there is a possibility that the basis of assessment will be corrected, mainly due to differences in the interpretation of the tax legislation. However, it is the Bank's Boards of Directors belief that there will be no additional settlements of significant value in the context of the financial statements.

The Group complies with the IFRIC 23 guidelines – Uncertainty regarding Income Tax Treatment regarding the determination of taxable profit, tax bases, tax losses to be carried forward, tax credits to be used and tax rates in scenarios of uncertainty regarding income tax treatment, with its did not result material impact on its financial statements.

3.3. PENSIONS AND OTHER EMPLOYEE BENEFITS

Determining responsibilities for retirement pensions requires the use of assumptions and estimates, including the use of actuarial projections, responsibilities discount rate, and other factors that could impact the cost and liability of the pension plan.

Any changes to such assumptions could have a significant impact on the determined amounts.

3.4. FAIR VALUE OF FINANCIAL DERIVATIVES AND ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

For the purposes of determining the fair value of bond and equity instruments, the bank considers the use of their quotation, namely the current purchase price (bid-price). In the absence of this quote, the Bank estimates fair value using: (i) valuation methodologies, such as the use of prices from recent, similar transactions carried out under market conditions, discounted future cash flow techniques and value valuation models customized options to reflect the particularities and circumstances of the instrument, and (ii) valuation assumptions based on market information. These methodologies also incorporate own and counterparty credit risk and may require the use of assumptions or judgments in estimating fair value. Regarding financial liabilities, the Group applies the same valuation hierarchy, but considering the ask-price.

Regarding to derivatives, market risk factors are considered (e.g. interest rate curves and exchange rates), feeding the evaluation models implemented for each derivative. Additionally, the CVA is calculated for which, among others, LGD, PD and Collateral Ratio are used.

Consequently, the use of different methodologies or different assumptions or judgments when applying a given model could result in valuations different from those reported.

3.5. CLASSIFICATION OF PERFORMANCE GUARANTEE

The Group analysed the performance guarantee contracts issued to assess whether they meet the definition of insurance contracts under IFRS 17.

The Group concluded that its performance guarantee contracts expose the Bank solely to the credit risk of the applicant because (i) all contracts require customers requesting a guarantee to fully guarantee their obligations to indemnify the Group as issuer and (ii) there are no scenarios with commercial substance in which the Bank would have to pay significant additional amounts to the holders of such guarantees.

The Group therefore accounts for these contracts as loan commitments in off-balance-sheet items and in accordance with IFRS 9. The gross value of the performance guarantees issued and accounted for as loan commitments is 76,187 thousand euros at June 30, 2026 (December 31, 2025: 79,327 thousand euros) (see Note 36) and the carrying amount of the related liability recognized in the financial statements is 107 thousand euros at June 30, 2026 (December 31, 2025: 74 thousand euros). The commission income recognized for these performance guarantees was 2 thousand euros (December 31, 2025: 12 thousand euros).

3.6. PROVISIONS FOR ONGOING LEGAL PROCEEDINGS

The recognition of a provision occurs when there is a present obligation (legal or constructive) resulting from past events in relation to which the future expenditure of resources is probable, and this can be reliably determined.

The outcome of ongoing legal proceedings, as well as the amount of the provision corresponding to the best estimate of the amount to be disbursed to settle the liability on the balance sheet date, is assessed based on the Board of Directors' perspective supported in accordance with the opinion of the Group's lawyers/legal consultants and the decisions up to the date of the courts (jurisprudence), which however may not come to fruition.

3.7. TERM OF LEASE AGREEMENTS

The Group applies judgment to determine the lease term of some contracts, in which it is the lessee, and which include renewal and termination options. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by a renewal option if it is reasonably certain to be exercised, or any periods covered by a termination option if it is reasonably certain not to be exercised.

This assessment has an impact on the lease term, which will significantly affect the amount of lease liabilities and right-of-use assets recognised.

NOTE 4 – SEGMENT REPORTING

4.1. DESCRIPTION OF BUSINESS AREAS

Each operating segment comprises the following activities, products, customers, and structures of the Group:

Mergers and Acquisitions (M&A)

The Mergers and Acquisitions (M&A) Division provides financial advisory services on the acquisition, sale or merger of companies. This Division also provides services such as valuations, restructuring advisory and feasibility studies.

Capital Markets

The Capital Markets Division comprises the origination, structuring and execution of market-oriented debt and equity instruments. The Bank provides its services to corporates, financial institutions, public companies, and state-related entities.

In the Debt Capital Markets (DCM) area, the Bank engages in structuring debt instruments, namely domestic debt issues and cross-border issues, especially related to China and emerging markets, as well as hybrid products, sustainability-linked bonds, project bonds, commercial paper programmes, and liability management.

Equity Capital Market (ECM) transactions are explored on a case-by-case basis, according to the opportunities that arise, mainly comprising capital increases, tender offers, equity-linked instruments, and listings and delisting for corporate clients.

Corporate Derivatives

Haitong Bank's Corporate Derivatives Desk covers several asset classes such as interest rates, FX, and commodities, and assists companies in the immunization of their balance against financial variables that may negatively affect their profits, allowing them to focus on their core business and lock in the margin in their products. Consequently, companies can optimize their hedging strategy against the increase in interest rates and against the exchange variations between payments and receipts of their products, in addition to fixing the cost/sale price of raw materials.

Fixed Income

With dedicated Trading, Syndication, and Distribution teams, the Fixed Income Division offers market-making services for corporate and sovereign debt securities, multi-product international distribution, syndication capacity for different debt products, and the production of tailor-made products for institutional clients. It is also responsible for managing Haitong Bank's banking and trading book portfolios, in accordance with the investment policies and pre-defined limits established by the Executive Committee.

The Fixed Income Division in Brazil aims to manage several risk factors to which the Bank is locally exposed, such as fixed interest rates, inflation, FX, and equities. It also comprises the risk originating management through the proprietary portfolio alongside its strategy (trading and banking books), following the internal guidance and in accordance with the investment policies established by the Executive Committee and the Board of Directors of Haitong Banco de Investimento do Brasil.

Corporate and Project Financing

The Corporate and Project Financing Division develops financing solutions for its Clients, namely under the form of acquisition/leverage finance, project finance, corporate lending (including asset-based loans and other corporate loans), as well as financial advisory services and arranging and agency services for financing operations.

Corporate and Project Financing Coordination Unit HO

Corporate and Project Financing Coordination Unit HO is responsible for coordinating and overseeing the global Corporate and Project Financing activity and pipeline, implementing product strategy through defined risk appetite and business guidelines, allocating transactions across geographies, supporting structuring, pricing and execution, ensuring a consistent market approach and internal coordination, and monitoring the global portfolio and key risks.

Client Coverage

The Client Coverage Division is responsible for managing relationships with clients in various sectors and for identifying business opportunities aligned with the Bank's business strategy and product capabilities.

This Division also monitors cross-border opportunities with a view to ensuring a business liaison between the Groups' various geographies.

Treasury

The Treasury Division is responsible for ensuring an appropriate level of funding to meet the Bank's and the Group's current and future funding needs, as well as for maintaining and managing an appropriate level of liquidity to meet the financial liabilities.

Additionally, the Treasury Division is responsible for managing the Bank's proprietary HQLA portfolio.

Global Asset Management

This business segment, carried out via the Bank's subsidiary Haitong Global Asset Management, SGOIC, S.A., includes the management of private equity funds and several different mandates and asset portfolios. The company's strategy is centered on delivering sustainable growth and long-term value through a combination of innovation, risk management, and client-centric solutions.

Special Portfolio Management

The purpose of the Special Portfolio Management Division (SPM) is to manage all the non-performing exposures, according to IFRS9 criteria, in which the Bank is involved.

This Division also manages all credit operations in which the Bank is solely involved as an agent, in case the operations are in default or classified as non-performing.

Corporate Centre

The Corporate Centre does not correspond to a business area; it is a combination of corporate structures ensuring basic functions of the Group's global management, such as those associated with the management and supervisory bodies, and areas such as Compliance, CEO Office, Finance, among others.

Other segments

Includes all remaining segments of the Group's Management Information model, which in accordance with the provisions laid down in IFRS8 are not subject to mandatory individualization.

4.2. CRITERIA FOR THE ATTRIBUTION OF THE BUSINESS AND OF THE RESULTS TO THE SEGMENTS

The financial information set forth for each segment has been prepared by reference to the criteria used for the preparation of internal information, on the basis of which the Group's decisions are made, as provided by the IFRS 8.

The accounting policies used when preparing the information concerning the operating segments are those used when preparing the financial statements herein, as referred to in Note 2.

Measurement of profits or losses from the segments

The Group uses the profit/loss before tax as a measurement tool for the performance assessment of each operating segment.

Haitong Bank's Structures dedicated to the Segment

Haitong Bank's business encompasses all operating segments, therefore being subject to disaggregation accordingly.

For the purpose of allocating financial information, the following principles are used: (i) origination of transactions, i.e., the business originated by the commercial structures dedicated to the segment is allocated to each segment, even if the Group makes a subsequent strategic decision to securitize some of these assets originating therefrom; (ii) allocation of direct costs from commercial and central structures dedicated to the segment; (iii) allocation of indirect costs (central support and IT services) determined in accordance with 7 specific parameters and with the internal Information Management model; (iv) allocation of credit risk determined in accordance with the impairment model.

Transactions between legally autonomous units of the Group are carried out at market prices; the price of provisions between the structures of each unit, such as the prices set for the provision or internal assignment of funds, is determined by the margins process referred to above (which vary according to the strategic relevance of the instrument and the balance of the structures between the fundraising and the credit assignment roles); the remaining transactions are allocated to the segments in accordance with the Management Information internal model.

The services rendered by the various units of the Corporate Centre are governed by SLAs (Service Level Agreements).

Interest income and expenses

Since the Group's activities are exclusively related to the financial sector, a substantial amount of generated revenue results from the difference between interests received from its assets and interest borne by the raised financial resources. This situation and the fact that the segments' activity is assessed by management through negotiated or predetermined margins for each instrument, leads to the profits of the brokerage activity being presented, as permitted by IFRS 8, paragraph 23, by the net value of interest, under the designation of Financial Income.

Net profit/(loss) from fee and commission

In accordance with the policy defined by the Group, net profit/(loss) from fee and commission is recognised in the moment that the service is delivered to its customers.

Investments consolidated under the equity method

Investments in associates which are consolidated under the equity method are comprised in the segment designated 'Other', for Haitong Bank's associates. For investments in associates of other entities of the Group, such entities are allocated to the segments they relate to.

Non-current assets

The Corporate Centre segment comprises non-current assets, which, as foreseen in IFRS 8, comprise Other tangible assets, Intangible assets and real estate received as payment in kind not yet falling into the classification of Non-current assets held-for-sale.

Deferred tax assets

The Income tax component is an element for the generating of the Group's income statement which does not have an effect on the assessment of the Operating Segments. Deferred tax assets are allocated to the Corporate Centre segment.

Domestic and International Areas

In the presentation of the financial information by geographical areas, the operating units making up the International Area are the Branches in London, Spain, Macau and Poland, as well as the subsidiaries in the consolidation perimeter, with the allocation being made by the Headquarters' country (see Note 1).

The equity and economic elements relating to the international area are those contained in the financial statements of those units with the respective consolidation adjustments and eliminations.

(thousand euros)

	Period of six months ended at:											
	30.06.2026											
	Corporate and Project Financing	Special Portfolio Management	Mergers and Acquisitions	Capital Markets	Corporate Derivatives	Fixed Income	Asset Management	Treasury	Client Coverage	Corporate Centre	Other	Total
Net interest income	8 858	102	(9)	(10)	(2)	(2 682)	827	6 465	17	(73)	579	14 072
Net fees and commissions	928	14	163	1 987	(43)	56	716	(20)	(44)	(60)	545	4 242
COMERCIAL OPERATING INCOME	9 786	116	154	1 977	(45)	(2 626)	1543	6 445	(27)	(133)	1124	18 314
Results on financial operation	153	628	34	103	147	13 962	35	(170)	-	(24)	(742)	14 126
Costs Deducting Banking Income	(132)	-	(11)	(3)	(2)	(1)	(41)	(217)	(5)	(246)	(1 540)	(2 198)
Intersegment Operating Income	58	(116)	(41)	-	14	270	(399)	32	21	-	161	-
TOTAL OPERATING INCOME	9 865	628	136	2 077	114	11 605	1138	6 090	(11)	(403)	(997)	30 242
Operating expenses	2 216	260	1 503	1 179	709	2 320	903	735	941	7 409	8 138	26 313
Employee costs	1 637	166	1 025	854	417	1 341	589	338	737	5 187	5 142	17 433
Administrative costs	418	72	344	210	253	839	276	374	129	1 467	2 416	6 798
Depreciations and Amortisations	161	22	134	115	39	140	38	23	75	755	580	2 082
Gross income	7 649	368	(1 367)	898	(595)	9 285	235	5 355	(952)	(7 812)	(9 135)	3 929
Impairment and Provisions	(330)	-	-	(10)	-	(1 126)	(1)	(207)	-	-	537	(1 137)
Credit impairment	(60)	-	-	-	-	-	-	(517)	-	-	23	(554)
Securities impairment	(22)	-	-	-	-	(1 113)	-	307	-	-	1	(827)
Net provisions and other impairment	(248)	-	-	(10)	-	(13)	(1)	3	-	-	513	244
Profit / (Loss) before Income Tax	7 319	368	(1 367)	888	(595)	8 159	234	5 148	(952)	(7 812)	(8 598)	2 792
Income tax	-	-	-	-	-	-	-	-	-	-	1 542	1 542
Net Profit / (Loss) for the period	7 319	368	(1 367)	888	(595)	8 159	234	5 148	(952)	(7 812)	(10 140)	1 250
Attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(111)	(111)
Attributable to shareholders of the parent company	7 319	368	(1 367)	888	(595)	8 159	234	5 148	(952)	(7 812)	(10 029)	1 361

Note: There is no internal cancellation between segments

(thousand euros)

	Period of six months ended at:											
	30.06.2025											
	Corporate and Project Financing	Special Portfolio Management	Mergers and Acquisitions	Capital Markets	Corporate Derivatives	Fixed Income	Asset Management	Treasury	Client Coverage	Corporate Centre	Other	Total
Net interest income	9 022	(1)	(16)	(17)	583	8 137	415	5 360	(6)	636	-	24 113
Net fees and commissions	2 126	18	1 383	2 194	(43)	257	151	(88)	124	(260)	-	5 862
COMERCIAL OPERATING INCOME	11 148	17	1 367	2 177	540	8 394	566	5 272	118	376	-	29 975
Results on financial operation	562	716	65	(20)	3 601	850	60	(1 162)	-	1 152	(1)	5 823
Costs Deducting Banking Income	(80)	(0)	(9)	(8)	(49)	(442)	(20)	(121)	0	(2 474)	-	(3 203)
Intersegment Operating Income	(602)	7	-	-	(33)	83	2	(198)	-	742	-	1
TOTAL OPERATING INCOME	11 028	740	1 423	2 149	4 059	8 885	608	3 791	118	(204)	(1)	32 596
Operating expenses	1 631	488	1 486	1 456	716	2 398	679	879	455	17 384	0	27 572
Employee costs	1 361	277	1 114	1 135	391	1 329	413	367	373	11 486	0	18 246
Administrative costs	186	190	262	215	290	952	256	485	47	4 372	1	7 256
Depreciations and Amortisations	84	21	110	106	35	117	10	27	35	1 526	(1)	2 070
Gross income	9 397	252	(63)	693	3 343	6 487	(71)	2 912	(337)	(17 588)	(1)	5 024
Impairment and Provisions	(1 611)	1 356	(159)	47	(804)	(284)	-	(169)	(1)	(295)	0	(1 920)
Credit impairment	(1 324)	110	-	-	(804)	-	-	80	-	(23)	(0)	(1 961)
Securities impairment	83	-	-	-	-	(281)	(0)	(246)	-	-	0	(444)
Net provisions and other impairment	(370)	1 246	(159)	47	-	(3)	(0)	(3)	(1)	(272)	0	485
Profit / (Loss) before Income Tax	7 786	1 608	(222)	740	2 539	6 203	(71)	2 743	(338)	(17 883)	(1)	3 104
Income tax	-	-	-	-	-	-	(741)	-	-	-	2 727	1 986
Net Profit / (Loss) for the period	7 786	1 608	(222)	740	2 539	6 203	670	2 743	(338)	(17 883)	(2 728)	1 118
Attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	104	104
Attributable to shareholders of the parent company	7 786	1 608	(222)	740	2 539	6 203	670	2 743	(338)	(17 883)	(2 832)	1 014

Note: There is no internal cancellation between segments

The reporting of secondary segments is made in accordance with the geographical location of the various business units of the Group:

(thousand euros)

	30.06.2026				
	Portugal	Rest of the Europe	America	Asia	Total
Net income*	(1 422)	1 900	(177)	1 060	1 361
Net asset	1 321 972	712 020	1 183 957	64 403	3 282 352
Investments in assets					
tangible	128	17	-	-	145
intangible	211	-	25	13	249

*Net income attributable to shareholders of the parent company

(thousand euros)

	31.12.2025				
	Portugal	Rest of the Europe	America	Asia	Total
Net income*	(4 145)	(17 145)	(8 426)	48	(29 668)
Net asset	1 378 923	745 676	1 253 407	51 493	3 429 499
Investments in assets					
tangible	269	256	1 302	5	1 832
intangible	469	28	35	-	532

*Net income attributable to shareholders of the parent company

NOTE 5 – FINANCIAL MARGIN

This heading's amount is composed of:

(thousand euros)

	Period of six months ended at:					
	30.06.2026			30.06.2025		
	From assets/liabilities at amortised cost and at fair-value through other comprehensive income	From assets/liabilities at fair-value through profit and loss	Total	From assets/liabilities at amortised cost and at fair-value through other comprehensive income	From assets/liabilities at fair-value through profit and loss	Total
Interest and similar income						
Interest from loans and advances to customers	23 642	-	23 642	26 829	-	26 829
Interest from deposits and investments in credit institutions	6 220	-	6 220	12 245	-	12 245
Interest from financial assets at fair value through other comprehensive income	9 753	-	9 753	10 803	-	10 803
Interest from financial assets at fair-value through profit and loss	-	54 917	54 917	-	52 802	52 802
Interest from financial assets (securities) at amortised cost	16 731	-	16 731	17 683	-	17 683
Other interest and similar income	624	-	624	521	-	521
	56 970	54 917	111 887	68 081	52 802	120 883
Interest and similar expenses						
Interest from deposits from central banks and other credit institutions	58 707	-	58 707	52 883	-	52 883
Interest from debt securities issued	11 252	-	11 252	12 125	-	12 125
Interest from resources of customers	27 618	-	27 618	31 325	-	31 325
Interest from leasing operations	182	-	182	338	-	338
Other interest and similar expenses	56	-	56	99	-	99
	97 815	-	97 815	96 770	-	96 770
Total	(40 845)	54 917	14 072	(28 689)	52 802	24 113

As at June 30, 2026, interest and similar income includes 877 thousand euros and 996 thousand euros relating to contracts marked as stage 2 and stage 3, respectively (June 30, 2025: 887 thousand euros and 1,534 thousand euros, respectively).

The item lease interest refers to the interest expense related to lease liabilities recognized under IFRS 16.

The average interest rates for the years ended June 30, 2026, and 2025, as well as the respective average balances and interest for the year are shown in Note 39.

NOTE 6 – NET FEES AND COMMISSIONS INCOME

This heading's amount is composed of:

	(thousand euros)	
	Period of six months ended at:	
	30.06.2026	30.06.2025
Fees and commissions income		
From banking services	2 785	3 262
From guarantees provided	337	579
From transactions with securities	1 726	2 594
	4 848	6 435
Fees and commissions expenses		
From banking services rendered by third parties	60	69
From transactions with securities	475	443
From guarantees received	130	143
	665	655
Total	4 183	5 780

As of June 30, 2026, the net fees and commissions income included 680 thousand euros (June 30, 2025: (112) thousand euros) concern Haitong Group related parties (Note 37).

As at June 30, 2026, and June 30, 2025, the amount of fees and commissions income present the following distribution, by geographical segment:

	(thousand euros)	
	Period of six months ended at:	
	30.06.2026	30.06.2025
Fees and commissions income		
Poland	368	2 117
Portugal	1 376	1 871
China	1 628	698
Brazil	282	449
Spain	399	406
Luxembourg	274	257
Hong-Kong	257	16
United Kingdom	55	239
Ireland	100	118
Angola	42	-
Czech Republic	22	-
Others	45	144
Total	4 848	6 435

NOTE 7 – NET TRADING INCOME

This heading's amount is composed of:

	Period of six months ended at:	
	30.06.2026	30.06.2025
(thousand euros)		
Financial assets and liabilities at fair value through profit and loss held for trading		
Securities		
Bonds and other fixed-income securities		
Issued by public entities	(23 853)	62 494
Of other issuers	(219)	338
Shares	(50)	206
	(24 122)	63 038
Financial derivatives		
Foreign-exchange contracts	(6 269)	9 800
Interest rates contracts	29 417	(61 067)
Equity/indexes contracts	(404)	(400)
Other	2 257	(3 159)
	25 001	(54 826)
Total	879	8 212

The assets that compose the amounts presented above are detailed in Notes 19 and 20.

NOTE 8 – NET INCOME FROM OTHER INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

This heading's amount is composed of:

	Period of six months ended at:	
	30.06.2026	30.06.2025
(thousand euros)		
Financial assets at fair value through profit or loss not held for trading		
Securities		
Loans and advances to customers	-	1
Shares	67	338
Other variable-income securities	466	1 057
	533	1 396
Financial liabilities at fair value through profit or loss		
Debt securities issued	2 749	12
	2 749	12
Total	3 282	1 408

The assets that compose the amounts presented above are detailed in Note 22.

NOTE 9 – NET GAIN/(LOSS) FROM DERECOGNITION OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This heading's amount is composed of:

	Period of six months ended at:	
	30.06.2026	30.06.2025
Bonds and other fixed-income securities		
Of other entities	833	3 229
Total	2 998	3 229

The assets that gave rise to the results presented here are detailed in Note 22.

NOTE 10 – NET GAINS/(LOSSES) FROM HEDGE ACCOUNTING

This heading's amount is composed of:

(thousand euros)			
	Notes	Period of six months ended at:	
		30.06.2026	30.06.2025
Net gains/(losses) from hedge accounting			
Hedging derivatives	21	25	(1 037)
Hedged items	22	335	947
Total		360	(90)

The Group carries out accounting hedges using essentially interest rate futures. This item records changes in the fair value of derivatives designated for hedging as well as the respective variation in the covered risk of debt instruments designated for hedging.

The assets that compose the amounts presented here are detailed in Notes 21 and 22.

NOTE 11 – NET GAINS / (LOSSES) FROM FOREIGN EXCHANGE DIFFERENCES

This heading's amount is composed of:

	Period of six months ended at:	
	30.06.2026	30.06.2025
Currency revaluation	5 430	(15 394)
Total	5 430	(15 394)

On the June 30, 2026, and 2025, this heading includes results arising out of the exchange rate revaluation of monetary assets and liabilities denominated in foreign currency, in accordance with the accounting policy set forth in Note 2.3, and the results of foreign exchange derivatives. The exposure of assets and liabilities, by currency, is presented in Note 39.

NOTE 12 – NET GAIN/(LOSS) FROM DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST

As at June 30, 2026, and 2025, this heading's amount is composed of:

	(thousand euros)	
	30.06.2026	30.06.2025
Gains/Losses on Amortized Cost Investments	2 885	2 639
Total	2 885	2 639

In 2026, the Bank sold a total of 64,253 thousand euros worth of securities (June 2025: 103,650 thousand euros). These transactions generated a gain of 2,885 thousand euros from the sale of bonds (June 2025: 2,639 thousand euros).

The sales fall within the Hold to Collect business model, as they were infrequent or insignificant, or motivated by a significant increase in the credit risk of the financial assets or to manage concentration risk.

The assets which gave rise to the results presented here are detailed in Note 22.

NOTE 13 – OTHER OPERATING INCOME AND EXPENSES

This heading's amount is composed of:

	(thousand euros)	
	Period of six months ended at:	
	30.06.2026	30.06.2025
Other customer services	59	84
Direct and Indirect taxes	(1 604)	(2 380)
Non-financial assets	-	5
Sub-leasing	247	242
Other operating results	(553)	3 925
Gains / (losses) on recoveries of loans		
Credit Recoveries	78	51
Securities recoveries	641	739
Other recoveries	35	33
Total	(1 097)	2 699

Direct and indirect taxes include:

- 988 thousand euros relating to the cost of the Contribution on the Banking Sector (June 30, 2025: 1,376 thousand euros), created by Law No. 55-A/2010 of June 30;
- 149 thousand euros relating to the cost of the Social Integration Program and Social Security Financing Contribution (PIS/CONFINS) (June 30, 2025: 180 thousand euros), created by Article 239 of the 1988 Constitution and Complementary Laws 7 of September 7, 1970, and 8 of December 3, 1970, and Complementary Law 70 of December 30, 1999

Other operating income includes:

- 337 thousand euros relating to the cost of the Contribution to the National Resolution Fund (June 30, 2025: 490 thousand euros).

In 2026, there was a recovery of 641 thousand euros (June 30, 2025: 739 thousand euros) relating to a debt instrument.

NOTE 14 – EMPLOYEE COSTS

This heading's amount is composed of:

	(thousand euros)	
	Period of six months ended at:	
	30.06.2026	30.06.2025
Wages and salaries		
Remuneration	13 587	13 751
Career benefits (Note 15)	38	(21)
Changes from termination agreements	77	120
Expenses with retirement pensions (Note 15)	32	43
Other mandatory social charges	2 792	3 418
Other expenses	907	935
Total	17 433	18 246

The costs with remuneration and other benefits granted to key management personnel of the Haitong Bank Group in office as of June 30, 2026 and 2025 are distributed as follows:

	(thousand euros)			
	30.06.2026			
	MB Supervisory function	MB Management function	Other Senior Management	Other Senior Staff
Fixed remuneration				
Number of identified staff	6	6	52	7
Total Fixed remuneration	195	765	3 473	266
Of which: Cash-based	195	765	3 473	266
Total	195	765	3 473	266

(milhares de euros)

	30.06.2025			
	MB Supervisory function	MB Management function	Other Senior Management	Other Senior Staff
Fixed remuneration				
Number of identified staff	6	6	49	6
Total Fixed remuneration	195	856	3 317	222
Of which: Cash-based	195	856	3 317	222
Total	195	856	3 317	222

In the first semester of 2026, Haitong Bank Group paid EUR 537 thousand in variable remuneration to members of the management bodies and members of the identified staff regarding the deferred portions of the variable remuneration of years 2022, 2023 and 2024.

Additionally, it was recognized the amount of EUR 640 thousand regarding the upfront amount of the variable remuneration for the 2025 performance. These amounts compares to the amount of EUR 1,556 thousand, paid in 2025.

Employees whose professional activities may have a material impact on the Bank's risk profile are considered to be "Identified Staff".

On the 30th of June 2026 and 2025, Haitong Bank Group did not present any credit granted to its Management Bodies.

Per professional category, the average number of employees of the Haitong Bank Group can be analysed as follows:

	30.06.2026	31.12.2025	30.06.2025
Directors	171	177	179
Management	2	3	2
Specific roles	117	113	115
Administrative roles	18	19	20
Support roles	4	4	4
Total Group Haitong Bank (Average)	311	315	319

As of June 30, 2026, the Group had a total of 311 employees, compared to 309 employees as of December 2025.

NOTE 15 – EMPLOYEES BENEFITS

Retirement pensions and healthcare benefits

Pension and health-care benefits in compliance with the Collective Labor Agreement (“Acordo Coletivo de Trabalho”, ACT) for the banking sector established with the unions, the Bank undertook the commitment to grant its employees, or their families, pensions on retirement, disability and survival. These payments consist of a percentage that increases in accordance with the years of service, applied to each year’s negotiated salary table for the active work force.

Arising from the signature of the new Collective Labor Agreement (“Acordo Coletivo de Trabalho”, ACT) on 5 July 2016, published in Labor Bulletin (Boletim do Trabalho) no. 29, of 8th August 2016, the Group’s contributions to SAMS as from February 1, 2017, correspond to a fixed amount (as per Annex VI of the new ACT) for each employee, 14 times a year.

The measurement and recognition of the Group’s liability with post-retirement health-care benefits is similar to the measurement and recognition of the pension liability. These benefits are covered by the Pension Fund, which currently covers all liabilities with pensions and health-care benefits.

For employees hired until December 31, 2008, the retirement pension and the disability, survival and death pensions consecrated under the ACT, as well as the liabilities for health-care benefits (SAMS), are covered by a closed pension fund, managed by Golden - Sociedade Gestora de Fundos de Pensões, S.A.

Protection of employees in the event of maternity, paternity and adoption, as well as old age, is covered by the General Social Security Regime, given that with the publication of Decree-Law no. 1A/2011, of January 3, all banking employees who were beneficiaries of “CAFEB – Caixa de Abono de Família dos Empregados Bancários” were integrated in the General Social Security Regime as from January 1, 2011.

Employees hired after December 31, 2008, are covered by the Portuguese General Social Security Regime.

Retirement pensions of banking employees integrated in the General Social Security Regime within the scope of the 2nd tripartite agreement continue to be calculated in accordance with the provisions of the ACT and other conventions; however, banking employees are entitled to receive a pension under the General Regime, which takes into account the number of years of contributions under that regime. The banks are responsible for the difference between the pension determined in accordance with the provisions of the ACT and that which the banking employees are entitled to receive from the General Social Security Regime.

The contribution rate is 26.6%, 23.6% paid by the employer and 3% paid by the employees to the General Social Security Regime on the behalf of Caixa de Abono de Família dos Empregados Bancários (CAFEB), abolished by said Decree-law. In consequence of this change, pension entitlements of active employees are to be covered on the terms defined under the General Social Security Regime, for the length of their employment between January 1, 2011, and their retirement date. The differential required to make up the pension guaranteed under the ACT is paid by the Banks.

At the end of financial year 2011 and pursuant to the third tripartite agreement, it was decided to transfer, definitively and irreversibly, to the General Social Security Regime all the banks’ liabilities with pensions in payment to retirees and pensioners that were in that condition as at December 31, 2011 at constant values (0% discount rate) for the component foreseen in the “Instrumento de Regulação Coletiva de Trabalho” (IRCT) applicable to banking employees, including the eventualities of death, disability and survival. The liabilities relating to the updating of pension amounts, pension benefits other than those to be borne by Social Security, health-care contributions to SAMS, death allowances and deferred survivor’s pensions will remain under the banks’ responsibility, with the corresponding funding being met through the respective pension funds.

The agreement further established that the financial institutions' pension fund assets relating to the part allocated to the satisfaction responsibilities for those pensions, be transferred to the State.

The main assumptions used in the calculation of the liabilities are as follows:

	Assumptions	
	30.06.2026	30.06.2025
Financial Assumptions		
Discount rate	4.32%	4.03%
Pension growth rates	2026: 1,95% >=2027: 1,00%	2025: 1,85% >=2026: 0,50%
Salary growth rates	2026: 2,20% >=2027: 1,25%	2025: 2,10% >=2026: 0,75%
Demographic Assumptions and Assessment Methods		
Mortality table		
Men	TV 88/90	TV 88/90
Women	TV 88/90 -3 anos	TV 88/90 -3 anos
Actuarial valuation method	Projected Unit Credit e VAPP	

Disability decrements are not considered in the calculation of liabilities. The discount rate used as a reference on June 30, 2026, was based on: (i) the trends observed in the main indices related to high-quality corporate bonds, and (ii) the duration of the liabilities (14.3 years).

The costs of the financial year with retirement pensions and healthcare benefits may be analysed as follows:

	(thousand euros)	
	30.06.2026	30.06.2025
Current service cost	32	43
Interest Expenses / (Income)	(352)	(190)
Final Balance	(320)	(147)

Interest costs/income are recognised on a net basis under interest and similar income/expense.

Career bonuses

On June 30, 2026 and on December 31, 2025, the liabilities assumed by the Group and the costs recognised in the periods with the career bonus are the following:

	(thousand euros)		
	30.06.2026	31.12.2025	30.06.2025
Liabilities at the beginning of the period	464	465	486
Period expenses	38	(1)	(21)
Liabilities at the end of the period	502	464	465

The actuarial assumptions used for calculation of liabilities are identical for calculation of retirement pensions (when applicable).

The liability regarding career bonuses is registered in other liabilities (see Note 33).

NOTE 16 – ADMINISTRATIVE COSTS

This heading's amount is composed of:

(thousand euros)

	Period of six months ended at:	
	30.06.2026	30.06.2025
Communications and expedition	1 236	1 533
Rents and leases	422	331
Travels and representation expenses	293	219
Maintenance and related services	28	251
Insurance	67	67
Advertising and publications	10	(204)
Legal and litigation	21	24
IT services	1 956	2 042
Temporary labour	13	2
Independent labour	179	474
Other specialised services	1 898	1 445
Other expenses	675	1 072
Total	6 798	7 256

Rents and leases include the expenses related to contracts where the Bank applied IFRS 16 practical expedient such as short-term rental contracts; (maturity lower or equal than to one year) and rental contracts with low value as described in the accounting policies disclosed in Note 2.10.

The Other Specialised Services heading includes, among others, the costs with external consultants and auditors.

The item Other Costs includes, among others, the costs with security and surveillance, information, training costs and costs with external suppliers.

NOTE 17 – EARNINGS PER SHARE

Basic earnings per share

The basic earnings per share are calculated by the division of the result to be attributed to the shareholders of the Bank by the average number of ordinary shares issued during the year, excluding the average number of shares bought and held in portfolio as own shares.

(thousand euros)

	Period of six months ended at:	
	30.06.2026	30.06.2025
Consolidated net income attributable to shareholders of the parent company	1 361	1 014
Weighted average number of ordinary shares outstanding	174 321	174 256
Basic earnings per share attributable to shareholders of the parent company (euros)	0.01	0.01

Diluted earnings per share

The diluted earnings per share are calculated by adjusting the effect of all the potential ordinary diluting shares to the considered average number of existing ordinary shares and to the net result attributed to the bank shareholders.

As of June 30, 2026 and June 30, 2025, the Bank held no dilutive instruments and, therefore, diluted earnings per share equals basic earnings per share.

NOTE 18 – CASH AND CASH EQUIVALENTS

As of June 30, 2026, and December 31, 2025, this heading is analysed as follows:

	(thousand euros)	
	30.06.2026	31.12.2025
Cash	6	6
Demand deposit at central banks		
Bank of Portugal	4 773	4 802
Other central banks	7 074	8 849
	11 847	13 651
Deposits at other credit institutions in Portugal		
Demand deposits	7 684	1 047
	7 684	1 047
Deposits at other credit institutions abroad		
Demand deposits	3 585	9 831
	3 585	9 831
	23 122	24 535
Impairment losses	-	(28)
Total	23 122	24 507

The Demand deposits at central banks – Banco de Portugal includes a compulsory deposit, with the purpose of meeting the legal requirements regarding minimum cash holdings. In accordance with Regulation (EU) No. 1358/2011 of the European Central Bank, of December 14, 2011, the mandatory minimum cash holdings in demand deposits at Banco de Portugal are remunerated and correspond to 1% of deposits and debt securities with a maturity of less than 2 years, excluding deposits and debt securities of institutions subject to the minimum reserve system of the European System of Central Banks. On June 30, 2026, the average rate of return on these deposits was 0% (December 31, 2025: 0%).

Compliance with the mandatory minimum holdings, for a given observation period, is achieved by taking into account the average value of deposit balances with Banco de Portugal during that period. Compliance with the minimum cash requirements for a given observation period is achieved by taking into account the average value of deposit balances with Banco de Portugal during that period. The balance of the account with Bank of Portugal on June 30, 2026, was included in the maintenance period from June 17, 2026, to July 28, 2026, which corresponded to a minimum reserve requirement of 1,750 thousand euros (December 31, 2025: 1,598 thousand euros).

NOTE 19 – FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING – SECURITIES

As of June 30, 2026, and December 31, 2025, the heading of trading financial assets and liabilities is as follows:

	(thousand euros)	
	30.06.2026	31.12.2025
Financial assets held for trading		
Securities		
Bonds and other fixed-income securities		
From public issuers	880 749	819 958
From other issuers	37 242	50 030
	917 991	869 988
Financial liabilities held for trading		
Securities		
Short selling	513	32 724
	513	32 724
Liquid	917 478	837 264

As at June 30, 2026, the heading of financial assets held for trading includes 839,919 thousand euros in securities pledged as collateral by the Group (766 998 thousand euros as at December 31, 2025) (see Note 36).

As at June 30, 2026, and December 31, 2025, the analysis of financial assets held-for-trading, by residual maturity period, is as follows:

(thousand euros)

	30.06.2026	31.12.2025
Up to three months	520	4 796
From three months to one year	5 306	7 213
From one to five years	35 363	39 228
More than five years	876 802	818 751
Total	917 991	869 988

In accordance with the accounting policy described in Note 2.4.1, trading financial assets and liabilities are bought for the purpose of short-term trading, regardless of their maturity.

As at June 30, 2026, and December 31, 2025, the heading of financial assets held-for-trading, concerning quoted and unquoted securities, is divided as follows:

(thousand euros)

	30.06.2026			31.12.2025		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Bonds and other fixed-income securities						
Issued by public entities	880 749	-	880 749	819 958	-	819 958
Issued by other entities	37 207	35	37 242	50 030	-	50 030
Total book value	917 956	35	917 991	869 988	-	869 988

Additionally, the Bank performs back testing on all operations carried out and has never observed losses or divergences in relation to the valuation methodology.

The short selling represents securities sold by the Group, which had been purchased under a reverse repurchase agreement. In accordance with the accounting policy described in Note 2.5, securities purchased under a repurchase agreement are not recognised in the statement of financial positions, with its fair value being presented in Note 36. When such securities are sold, the Group recognises a financial liability equivalent to the fair-value of the assets which shall be returned in pursuance of the repurchase agreement. These liabilities are measured according to the valuation hierarchy of the Bank.

NOTE 20 – DERIVATIVES

As of June 30, 2026, and December 31, 2025, financial derivatives heading is analysed as follows:

	(thousand euros)	
	30.06.2026	31.12.2025
Derivatives financial assets		
Trading derivatives		
Foreign-exchange contracts	4 709	6 013
Interest-rate contracts	13 752	11 351
	18 461	17 364
Derivatives financial liabilities		
Trading derivatives		
Foreign-exchange contracts	7 259	5 700
Interest-rate contracts	10 822	17 338
	18 081	23 038
Net derivative position	380	(5 674)

As of June 30, 2026, and December 31, 2025, financial derivatives heading is analysed as follows:

	(thousand euros)					
	30.06.2026			31.12.2025		
	Notional	Fair value		Notional	Fair value	
		Positive	Negative		Positive	Negative
Foreign-exchange contracts						
Forward		649	522		204	1
- buy	54 451			5 558		
- sell	54 437			5 558		
Currency Swaps		136	2 757		527	247
- buy	286 996			140 080		
- sell	289 632			139 932		
Currency Futures		-	-		-	-
- buy	53 079			19 767		
- sell	60 100			20 863		
Currency Interest Rate Swaps		3 566	3 622		5 282	5 452
- buy	121 592			119 797		
- sell	121 592			119 797		
Currency Options		358	358		-	-
- buy	58 865			30 643		
- sell	64 435			38 829		
	1 165 179	4 709	7 259	640 824	6 013	5 700
Interest-rate contracts						
Interest Rate Swaps		13 728	10 798		11 326	17 313
- buy	390 878			402 486		
- sell	390 878			402 486		
Interest Rate Caps & Floors		24	24		25	25
- buy	23 427			43 864		
- sell	23 427			43 864		
Interest Rate Futures		-	-		-	-
- buy	60 144			49 079		
- sell	710 270			631 752		
	1 599 024	13 752	10 822	1 573 531	11 351	17 338
Contracts on shares/indexes						
Equity / Index Options		-	-		-	-
- buy	5 486			5 156		
Equity / Index Futures		-	-		-	-
- sell	4 577			4 322		
	10 063	-	-	9 478	-	-
Other derivatives						
Inflation Futures					-	-
- buy	-			21 392		
		-	-	31 981	-	-
Total	2 774 266	18 461	18 081	2 255 814	17 364	23 038

As of June 30, 2026, and December 31, 2025, the analysis of trading financial derivatives, by residual maturity period, is as follows:

(thousand euros)

	30.06.2026			31.12.2025		
	Notional		Fair Value (net)	Notional		Fair Value (net)
	Sale	Purchase		Sale	Purchase	
Up to three months	498 135	436 460	(2 266)	251 145	203 546	298
From three months to one year	136 264	105 532	(251)	101 167	98 733	(38)
From one to five years	455 404	193 548	(58)	460 290	222 966	(100)
More than five years	629 545	319 377	2 955	605 390	312 576	(5 834)
Total	1 719 348	1 054 917	380	1 417 992	837 821	(5 674)

As of June 30, 2026, and December 31 2025, derivatives, both assets and liabilities, include operations collateralized by the constitution of collateral accounts in order to ensure the fair value hedge of the assets and liability exposures contracted between the Bank and several financial institutions (contracts under ISDA with CSA). The balances related to these collateral are recorded under "Other assets - collateral deposited under clearing agreements" (Note 27) and "Other liabilities - collateral deposited under clearing agreements" (Note 33). The fair value associated with futures is reflected under "Other Assets – Deposited collaterals under margin clearing accounts (futures contracts) (Note 27).

Derivative contracts that are not under CSA agreements are subject to xVA calculations, namely CVA and DVA, which are already included in the above-disclosed fair value. As of June 30, 2026, the CVA amount totals 69 thousand euros (December 31, 2025: 185 thousand euros). As of June 30, 2026, and December 31, 2025, the Bank did not record any amount associated with DVA.

NOTE 21 – HEDGING DERIVATIVES

As of June 30, 2026, and December 31, 2025, this heading is analysed as follows:

(thousand euros)

Hedged risk	Derivative product	Associated financial asset / liability	30.06.2026						Net gains/(losses) from hedge accounting
			Hedging instrument			Hedged instrument			
			Notional	Assets (1)	Fair value change in hedging instruments in the period	Assets (1)	Accumulated fair value adjustments in the hedged item	Fair value change in hedged items in the period	
Interest Rate	Futures	Debt Instruments	80 302	-	2 630	108 936	(766)	(2 414)	216
Interest Rate	Futures	Depósitos	119 302	-	(2 605)	(113 174)	(2 566)	2 749	144

(1) Book value of hedging and hedged instruments excluding hedging adjustments and impairment

(thousand euros)

Hedged risk	Derivative product	Associated financial asset / liability	31.12.2025						Net gains/(losses) from hedge accounting
			Hedging instrument			Hedged instrument			
			Notional	Assets (1)	Fair value change in hedging instruments in the period	Assets (1)	Accumulated fair value adjustments in the hedged item	Fair value change in hedged items in the period	
Interest Rate	Futures	Debt Instruments	91 819	-	(582)	96 567	(235)	586	4

(1) Book value of hedging and hedged instruments excluding hedging adjustments and impairment

The variations in fair value associated to the assets described above and the respective hedge derivatives are entered in the income statement of the period in the caption of Net gains/(losses) from hedge accounting (Note 10). With regard to the fair value of futures, this is reflected in the caption of Other Assets (Note 27).

NOTE 22 – SECURITIES

As of June 30, 2026, and December 31, 2025, this heading is analysed as follows:

(thousand euros)

	30.06.2026	31.12.2025
Non-trading financial assets mandatorily at fair value through profit or loss		
Bonds and other fixed-income securities		
From other issuers	966	886
Shares	4 950	4 653
Other variable income securities	10 709	10 495
	16 625	16 034
Financial assets at fair value through other comprehensive income		
Bonds and other fixed-income securities		
From public issuers	92 296	76 904
From other issuers	262 886	238 023
	355 182	314 927
Financial assets measured at amortised cost		
Bonds and other fixed-income securities		
From public issuers	411 802	331 583
From other issuers	232 158	236 485
	643 960	568 068
Total	1 015 767	899 029

In accordance with the accounting policy described in Note 2.4, the Group regularly assesses whether there is objective evidence of impairment in the investment securities portfolios, following the judgement criteria described in Note 3.1.

As of June 30, 2026, and December 31, 2025, the portfolio of the financial assets at fair value through other comprehensive income is decomposed as follows:

(thousand euros)

	Cost (1)	Fair value reserve (2)		Fair value hedge (Note 10)	Impairment (Note 31)	Book value
		Positive	Negative			
Bonds and other fixed-income securities						
Issued by public entities	95 925	204	(3 765)	61	(129)	92 296
Issued by other entities	262 366	1 838	(796)	17	(539)	262 886
Balance as of 30 June 2026	358 291	2 042	(4 561)	78	(668)	355 182
Bonds and other fixed-income securities						
Issued by public entities	80 631	39	(3 625)	-	(141)	76 904
Issued by other entities	236 751	2 144	(693)	477	(656)	238 023
Balance as of 31 December 2025	317 382	2 183	(4 318)	477	(797)	314 927

(1) Amortized cost including accrued interest and the amounts of discontinued hedge accounting relationships

(2) Includes all revaluation reserve components, including hedge and impairment adjustments

As of June 30, 2026, the heading of financial assets at fair value through other comprehensive income includes 191,076 thousand euros (31 December 2025: 175,084 thousand euros) in securities pledged as collateral by the Group.

As of June 30, 2026, and December 31, 2025 the portfolio of the financial assets at amortised cost is analysed as follows:

(thousand euros)

	Cost (1)	Fair value hedge (Note 10)	Impairment (Note 31)	Book value
Bonds and other fixed-income securities				
Issued by public entities	412 410	(368)	(240)	411 802
Issued by other entities	235 256	(476)	(2 622)	232 158
Balance as of 30 June 2026	647 666	(844)	(2 862)	643 960
Bonds and other fixed-income securities				
Issued by public entities	332 260	(268)	(409)	331 583
Issued by other entities	239 449	(444)	(2 520)	236 485
Balance as of 31 December 2025	571 709	(712)	(2 929)	568 068

(1) Amortized cost including accrued interest and the amounts of discontinued hedge accounting relationships

As of June 30, 2026, the heading of financial assets at fair value through other comprehensive income includes 443,610 thousand euros (31 December 2025: : 404,601 thousand euros) in securities pledged as collateral by the Group, which corresponds to a fair value of 443,265 thousand euros (31 December 2025: 404,257 thousand euros).

As of June 30, 2026, and December 31, 2025, the analysis of securities portfolios by maturity period, is presented as follows:

(thousand euros)

	30.06.2026	31.12.2025
Up to three months	12 602	40 902
From three months to one year	79 614	190 913
From one to five years	487 624	397 482
More than five years	420 268	254 584
Undetermined period	15 659	15 148
Total	1 015 767	899 029

As of June 30, 2026, and December 31, 2025, the heading of securities, concerning quoted and unquoted securities, is divided as follows:

(thousand euros)

	30.06.2026			31.12.2025		
	Quoted (1)	Unquoted	Total	Quoted (1)	Unquoted	Total
Securities						
Bonds and other fixed-income securities						
Issued by public entities	496 154	7 944	504 098	404 016	4 471	408 487
Issued by other entities	358 133	137 877	496 010	318 301	157 093	475 394
Shares	-	4 950	4 950	-	4 653	4 653
Other variable-income securities	-	10 709	10 709	8 676	1 819	10 495
Total book value	854 287	161 480	1 015 767	730 993	168 036	899 029

1) Includes Financial assets at fair value through other comprehensive income and Financial assets not mandatorily held for trading at fair value through profit or loss at fair value (Level 1), see Note 33.

Unquoted securities issued by public entities refers mainly to Brazilian public debt instruments, which, despite being quoted, are valued according to internal model and are therefore presented as unquoted securities.

Additionally, the Bank performs backtesting on all operations carried out and has never observed losses or divergences in relation to the valuation methodology.

The average interest rates recorded for the year ended June 30, 2026, and December 31, 2025, as well as the respective average balances and interest for the period are presented in Note 39.

NOTE 23 - LOANS AND ADVANCES TO BANKS

As of June 30, 2026, and December 31, 2025, this heading is analysed as follows:

	(thousand euros)	
	30.06.2026	31.12.2025
Loans and advances to central banks		
Bank of Portugal	255 219	488 612
Other central banks	23 282	116 097
Reverse repos	-	31 922
	278 501	636 631
Loans and advances to banks in Portugal		
Interbank money market	-	10 088
Very short-term deposits	7 009	1 507
	7 009	11 595
Loans and advances to banks abroad		
Deposits	74	74
Reverse repos	627	1 463
Very short-term deposits	17 495	-
Other loans and advances	1 756	1 953
	19 952	3 490
	305 462	651 716
Impairment losses	(5)	(3)
Total	305 457	651 713

As of June 30, 2026, and December 31, 2025, the analysis of loans and advances to banks, by residual maturity period, is presented as follows:

	(thousand euros)	
	30.06.2026	31.12.2025
Up to three months (Cash equivalents)	304 835	616 378
Up to three months (Others)	627	33 385
From three months to one year	-	1 953
Total	305 462	651 716

The average interest rates recorded for the periods ended June 30, 2026 and December 31, 2025, as well as the respective average balances and interest for the period are presented in Note 39.

NOTE 24 – LOANS AND ADVANCES TO CUSTOMERS

As of June 30, 2026, and December 31, 2025, this heading is analysed as follows:

	(thousand euros)	
	30.06.2026	31.12.2025
At fair value through profit and loss		
Overdue capital and interest		
For more than 90 days	24	24
	24	24
Revaluation at fair value	-	1
	24	25
At Amortised cost		
Domestic loans		
Corporate		
Loans	76 314	93 843
	76 314	93 843
Abroad loans		
Corporate		
Loans	664 992	650 055
	664 992	650 055
Overdue capital and interest		
Up to 90 days	3	865
	16 668	1 134
	757 974	745 032
Impairment losses (Note 26)	(19 913)	(18 472)
	738 061	726 560
Total	738 085	726 585

As of June 30, 2026, and December 31, 2025, the analysis of loans and advances to customers, by residual maturity period, is presented as follows:

	(thousand euros)	
	30.06.2026	31.12.2025
Up to three months	6 452	1 884
From three months to one year	97 180	50 143
From one to five years	503 274	509 887
More than five years	129 225	177 274
Undetermined period (1)	21 867	5 869
Total	757 998	745 057

(1) Corresponds to overdue capital and interest of matured operations.

NOTE 25 – OTHER TANGIBLE ASSETS

As of June 30, 2026, and December 31, 2025, this heading is analysed as follows:

	(thousand euros)	
	30.06.2026	31.12.2025
Real estate		
For own use	1	1
Improvements in leasehold property	8 257	8 067
	8 258	8 068
Equipment		
IT equipment	8 216	8 045
Indoor installations	870	870
Furniture	2 140	2 121
Machinery and tools	811	781
Motor vehicles	250	236
Security equipment	153	153
Others	360	351
	12 800	12 557
	21 058	20 625
Right-of-use		
Buildings	21 668	21 358
Vehicles	188	216
IT equipment	160	160
	22 016	21 734
	43 074	42 359
Accumulated depreciations	(36 062)	(33 804)
Total	7 012	8 555

The movement in this heading was as follows:

(thousand euros)

	Real estate	Equipment	Right-of-use			Work in progress	Total
			Real estate	IT Equipment	Vehicles		
Acquisition cost							
Balance as of 31 December 2024	7 692	12 661	24 485	128	297	-	45 263
Acquisitions	37	354	820	-	49	572	1 832
Write-offs / sales	-	(457)	(4 596)	-	(135)	-	(5 188)
Transfers:	343	-	-	-	-	(343)	-
Foreign exchange variation and others	(4)	(1)	649	32	5	(229)	452
Balance as of 31 December 2025	8 068	12 557	21 358	160	216	-	42 359
Acquisitions	-	140	-	-	6	-	146
Write-offs / sales	-	(3)	-	-	(54)	-	(57)
Foreign exchange variation and others	190	106	310	-	20	-	626
Balance as of 30 June 2026	8 258	12 800	21 668	160	188	-	43 074
Depreciations						-	
Balance as of 31 December 2024	6 896	10 817	15 601	84	203	-	33 601
Depreciations of period	192	1 010	2 283	22	65	-	3,572
Write-offs / sales	-	(450)	(3 689)	-	(133)	-	(4 272)
Foreign exchange variation and others	(3)	(3)	910	-	(1)	-	903
Balance as of 31 December 2025	7 085	11 374	15 105	106	134	-	33 804
Depreciations of period	110	447	1 380	11	29	-	1 977
Write-offs / sales	-	(3)	-	-	(54)	-	(57)
Foreign exchange variation and others	160	98	59	-	21	-	338
Balance as of 30 June 2026	7 355	11 916	16 544	117	130	-	36 062
Net book value as of 30 June 2026	903	884	5 124	43	58	-	7 012
Net book value as of 31 December 2025	983	1 183	6 253	54	82	-	8 555

NOTE 26 – INTANGIBLE ASSETS

As of June 30, 2026, and December 31, 2025, this heading is analysed as follows:

(thousand euros)

	30.06.2026	31.12.2025
Purchased from third parties		
Software	18 044	17 782
	18 044	17 782
Work in progress		
	1 275	1 115
	19 319	18 897
Accumulated amortisations		
	(17 780)	(17 541)
	(17 780)	(17 541)
Total	1 539	1 356

The movement in this heading was as follows:

(thousand euros)

	Software	Other fixed assets	Work in progress	Total
Acquisition cost				
Balance as of 31 December 2024	18 211	82	716	19 009
Acquisitions				
Purchased from third parties	22	-	510	532
Write-offs / sales	(559)	(82)	-	(641)
Transfers:	110	-	(110)	-
Exchange differences	(2)	-	(1)	(3)
Balance as of 31 December 2025	17 782	-	1 115	18 897
Acquisitions				
Purchased from third parties	13	-	236	249
Transfers:	109	-	(109)	-
Exchange differences	140	-	33	173
Balance as of 30 June 2026	18 044	-	1 275	19 319
Amortizations				
Balance as of 31 December 2024	17 810	47	-	17 857
Amortisations of the financial year	274	-	-	274
Write-offs / sales	(537)	(49)	-	(586)
Exchange differences	(4)	-	-	(4)
Balance as of 31 December 2025	17 543	(2)	-	17 541
Amortisations of the financial year	105	-	-	105
Exchange differences	134	-	-	134
Balance as of 30 June 2026	17 782	(2)	-	17 780
Net book value as of 30 June 2026	262	2	1 275	1 539
Net book value as of 31 December 2025	239	2	1 115	1 356

NOTE 27 – OTHER ASSETS

As of June 30, 2026, and December 31, 2025, the Other Assets heading is analysed as follows:

	(thousand euros)	
	30.06.2026	31.12.2025
Debtors and other assets		
Deposited collateral under clearing agreements	15 571	22 066
Public sector	65 908	58 097
Deposited collateral under clearing accounts (futures contracts)	10 928	6 597
Other sundry debtors	1 614	1 203
Loans and derivatives receivables	7 885	7 885
	101 906	95 848
Impairment losses for debtors and other investments	(5 062)	(4 855)
	96 844	90 993
Other assets		
Other liquid assets	1 193	2 828
Other assets	8 061	7 897
	9 254	10 725
Prepayments and deferred costs	1 983	1 961
Other sundry assets		
Exchange transactions pending settlement	2 639	153
Market securities transactions pending settlement	-	1
Other transactions pending settlement	14 275	1 392
	16 914	1 546
Retirement Benefits	14 466	16 155
Total	139 459	121 379

As at June 30, 2026, Public sector includes an amount of 27,752 thousand euros (24,738 thousand euros as at December 31, 2025) related with a tax contingency, until 2014; (ii) and 18,155 thousand euros (14,900 thousand euros as at December 31, 2025) relating to ongoing tax proceedings since 2015.

This item also includes (i) the amount of the security deposit made to the Directorate-General for the Treasury and Finance under the tax credit (confirmed by Portuguese Tax Authority) inherent to REAID in the amount of 192 thousand euros (under tax credit of 2020) and (ii) payments made to the Portuguese Tax Authority relating with tax proceedings that are currently in litigation in the amount of 6 578 thousand euros.

Regarding the security deposit under REAID, paragraph 8 of article 6 of Ordinance 2016 (in the wording resulting from Ordinance no. 272/2017, of September 13) establishes that:

“Within a maximum period of three months counting from the confirmation of the conversion of deferred tax assets into a tax credit provided for in Ordinance no. 259/2016, of October 4, the taxpayer constitutes a deposit in favor of the State, in an entity to be indicated by the member of the Government responsible for the area of finance, in the amount corresponding to the price of exercising the potential right to acquire all conversion rights, which is reduced, in the respective proportion, whenever there is delivery to the State of the price relating to the rights acquisition powers exercised or exercise by the State of conversion rights.”

The heading Other sundry debtors mainly includes commissions receivable from customers for the provision of services by the Bank.

The heading Other sundry debtors includes mainly commissions receivable from customers for services provided by the Bank.

The heading Market securities transactions pending settlement shows the balance of orders for the sale and purchase of securities awaiting their financial settlement.

NOTE 28 – RESOURCES OF CREDIT INSTITUTIONS

The resources of credit institutions heading is presented as follows:

	(thousand euros)	
	30.06.2026	31.12.2025
Foreign		
Repurchase agreements	971 671	956 880
Other resources	240 978	239 010
	1 212 649	1 195 890
Total	1 212 649	1 195 890

The heading Repurchase agreements corresponds to repo operations carried out in the money market and serves as a tool for the Group's treasury management. Other resources correspond to medium and long-term deposits made by other credit institutions with the Group.

As of June 30, 2026 and December 31, 2025, the analysis of resources of credit institutions by residual maturity period is as follows:

	(thousand euros)	
	30.06.2026	31.12.2025
Up to three months	779 844	830 349
From three months to one year	15 827	16 994
From one to five years	401 481	333 434
More than five years	15 497	15 113
Total	1 212 649	1 195 890

The average interest rates for the period ended June 30, 2026, and December 31, 2025, as well as the respective average balances and interest for the year are shown in Note 39.

NOTE 29 – RESOURCES OF CUSTOMERS

The balance of the resources of customers heading is composed, with regard to its nature, as follows:

	(thousand euros)	
	30.06.2026	31.12.2025
Repayable on demand		
Demand deposits	4 679	12 000
	4 679	12 000
Time deposits		
Fixed-term deposits	1 005 885	1 157 424
	1 005 885	1 157 424
Other resources		
Repurchase agreements	84 155	79 961
Other Deposits	2 029	2 056
	86 184	82 017
Total	1 096 748	1 251 441

The balance of repurchase agreements corresponds to the ongoing repo operations carried out in market with non-financial corporation counterparts.

As of June 30, 2026, and December 31, 2025, the analysis of due to customers by residual maturity period is as follows:

	(thousand euros)	
	30.06.2026	31.12.2025
Demand deposits	4 679	12 000
Fixed-term deposits		
Up to 3 months	258 868	319 191
3 to 12 months	471 139	384 770
1 to 5 years	275 711	453 463
More than 5 years	167	-
	1 005 885	1 157 424
Other resources		
Up to 3 months	2 028	18 277
3 to 12 months	-	11 330
1 to 5 years	84 155	52 409
More than 5 years	-	-
	86 184	82 017
Total	1 096 748	1 251 441

NOTE 30 – DEBT SECURITIES ISSUED

The debt securities issued heading can be divided as follows:

(thousand euros)

	30.06.2026	31.12.2025
Debt securities issued		
Other Bonds	255 362	243 459
Total	255 362	243 459

The fair-value of the portfolio regarding debt securities issued is presented in Note 38.

During 2026, Haitong Bank Group did not issue any debt securities (December 31, 2025: 73,146 thousand euros). Debt securities amounting to 7,819 thousand euros were repaid as of June 30, 2026 (December 31, 2025: 124,422 thousand euros).

The residual maturity of the debt securities issued, as of June 30, 2026, and December 31, 2025, is as follows:

(thousand euros)

	30.06.2026	31.12.2025
Up to three months	15 176	10 130
From three months to one year	235 223	32 175
From one to five years	4 963	201 154
Total	255 362	243 459

NOTE 31 – PROVISIONS AND IMPAIRMENT

As of June 30, 2026, and December 31, 2025, the Provisions heading presents the following movements:

(thousand euros)

	Provisions for other risks and charges	Provisions for guarantees and other commitments	Total
Balance as of 31 December 2024	3 027	889	3 916
Net charge of the period	(6)	696	690
Amounts used	(826)	-	(826)
Foreign exchange differences and others	32	(21)	11
Balance as of 30 June 2025	2 227	1 564	3 791
Net charge of the period	986	1 356	2 342
Amounts used	(516)	-	(516)
Foreign exchange differences and others	36	(28)	8
Balance as of 31 December 2025	2 733	2 892	5 625
Net charge of the period	18	(506)	(488)
Amounts used	-	-	-
Foreign exchange differences and others	290	236	526
Balance as of 30 June 2026	3 041	2 622	5 663

Provisions for guarantees and provisions for other commitments correspond to 2,509 thousand euros and 113 thousand euros respectively (December 31, of 2025: 2,799 thousand euros and 93 thousand euros).

The provisions for other risks and charges are meant to cover possible contingencies related to the activity of the Group. The main ongoing contingencies are presented in Note 36.

The movements in impairment losses can be analysed as follows:

(thousand euros)

	31.12.2025	Net charge of the period	Amounts used	Stage 3	Exchange differences and others	30.06.2026
Cash and cash equivalents (Note 18)	28	(1)	(27)	-	-	-
Financial assets at fair value through other comprehensive income (Note 22)	797	125	(328)	24	50	668
Financial assets measured at amortised cost						
Loans and advances to banks (Note 23)	3	2	-	-	-	5
Loans and advances to customers (Note 24)	18 472	554	-	408	479	19 913
Securities (Note 22)	2 929	702	(978)	-	209	2 862
Other assets (Note 27)	4 855	243	(95)	-	59	5 062
Total	27 084	1 625	(1 428)	432	797	28 510

(thousand euros)

	30.06.2025	Net charge of the period	Amounts used	Stage 3	Exchange differences and others	31.12.2025
Cash and cash equivalents (Note 18)	880	-	(853)	-	1	28
Financial assets at fair value through other comprehensive income (Note 22)	985	(54)	(162)	13	15	797
Financial assets measured at amortised cost						
Loans and advances to banks (Note 23)	23	(20)	-	-	-	3
Loans and advances to customers (Note 24)	7 553	10 601	(39)	316	41	18 472
Securities (Note 22)	1 032	2 028	(94)	-	(37)	2 929
Other assets (Note 27)	6 037	(560)	(622)	-	-	4 855
Total	16 510	11 995	(1 770)	329	20	27 084

(thousand euros)

	31.12.2024	Net charge of the period	Amounts used	Stage 3	Exchange differences and others	30.06.2025
Cash and cash equivalents (Note 18)	2 378	(1 228)	-	-	(270)	880
Financial assets at fair value through other comprehensive income (Note 22)	693	426	(134)	23	(23)	985
Financial assets measured at amortised cost						
Loans and advances to banks (Note 23)	9	14	-	-	0	23
Loans and advances to customers (Note 24)	5 551	1 960	39	75	(72)	7 553
Securities (Note 22)	1 194	19	(162)	-	(19)	1 032
Other assets (Note 27)	6 048	39	-	-	(50)	6 037
Total	15 873	1 230	(257)	98	(434)	16 510

NOTE 32 – INCOME TAXES

The Bank and its subsidiaries domiciled in Portugal are subject to taxation in accordance with the corporate income tax code (CIT code) and to local taxes.

Income taxes (current or deferred) are recognised in the income statement except in cases where the underlying transactions have been reflected in equity items. In these situations, the corresponding tax is also charged to equity, not affecting the net result for the period.

The current tax in June of 2026 and in year of 2025 were calculated based on a nominal corporate income nominal tax rate of 19% and 20%, respectively plus tax rate of 1.5% of Municipal Surcharge in accordance with Law no. 82 - B/2014, of December 31, and Law no. 2/2007, of January 15. Additionally, there is a State Surcharge which corresponds to an additional rate of 3% of the taxable profit between 1,500 and 7,500 thousand euros, 5% of the profit between 7 500 and 35 000 thousand euros, 9% of any profit which exceeds this amount (if applicable).

Deferred taxes are calculated based on tax rates anticipated to be in force at the temporary differences reversal date, which corresponds to the rates enacted or substantively enacted at the balance sheet date. Thus, in June of first half of 2026 the deferred tax was calculated at the rate of 23.24%.

Law No. 64/2025 of November 7 was published, which decreed the reduction of the nominal corporate income tax rate to 19% for the 2026 tax period, to 18% for the 2027 tax period, and to 17% starting from the period that begins in 2028. Accordingly, the deferred tax rate was adjusted in line with the published Law.

Special Scheme Applicable to Deferred Tax Assets

In 2014, Haitong Bank joined the special scheme applicable to deferred tax assets (REAID) related to impairment losses in credits and post-employment or long-term employee benefits, established by Law no. 61/2014, of August 26. For the purpose of this scheme, the conversion of the mentioned assets in tax credits is expected in the following situations:

- Determining net losses;
- Voluntary winding-up, court insolvency or, when applicable, with the withdrawal of the corresponding authorisation by the competent supervising authority.

It should be noted that, pursuant to Law No. 23/2016, of August 19, REAID is no longer applied to deferred tax assets relating to expenses and negative equity changes accounted for in tax periods beginning on or after 1 January 2016.

The tax credit as well as the respective special reserve recorded in the accounts with reference to June 2026 can be analysed in the table below, which also includes reimbursements already made by the Portuguese Tax Authority:

(thousand euros)

Year	Tax Credit	Special Reserve
2015	5 281	5 809
2016	20 529	22 582
2017	9 060	9 966
2018	233	255
2020	433	476
2021	(15 078)	-
2022	(5 414)	(16 585)
2023	(174)	(5 956)
2025	192	211
Total	15 062	16 758

The tax credit and the respective special reserve were recorded during the year following that of the tax credit year, booked in a current tax asset and other reserves item, respectively.

In 2021, the Bank received amounts concerning tax credit from the Portuguese Tax Authority, with reference to the years 2015 and 2016, in the amount of 15,078 thousand euros.

In turn, during the 2022, the Bank received a tax credit from the Portuguese Tax Authority, with reference to the 2017 and 2018, in the amount of 5,414 thousand euros.

In 2023, the Bank received tax credit from the Portuguese Tax Authority, with reference to the year 2020, in the amount of 174 thousand euros.

In pursuance of the abovementioned scheme, such conversion rights correspond to securities that grant the Government the right to request Haitong Bank to issue and deliver ordinary shares at no charge, following the increase in share capital through the inclusion of the reserve value. However, Haitong Bank's shareholder is granted the right to acquire those conversion rights to the Government in accordance with Ordinance no. 293-A/2016 of 18th of November.

In 2022, the shareholder exercised the rights under Special Regime of DTA with reference to the years 2015 and 2016 and the amount of special reserve decreased in 16,585 thousand euros.

In 2023, the Bank's shareholder exercised the right to acquire the conversion rights attributed to the State under the special regime of deferred tax assets relating to the years 2017 and 2018, and the amount of special reserve decreased in 5,956 thousand euros.

During 2026, the Bank's shareholder exercised the right to acquire the conversion rights attributed to the State under the special regime of deferred tax asset relating to the year 2020. Consequently, the reserve was reduced by 191 thousand euros in that year.

As Haitong Bank reported a net loss in its separate financial statements as at 31 December 2025, it recognised a tax credit amounting to 192 thousand euros in 2026.

Under the applicable legislation, Haitong Bank's shareholder may exercise its unilateral right to acquire the conversion rights within three years from the date on which the Portuguese Tax Authority confirms the conversion of deferred tax assets into a tax credit. However, such confirmation has not yet been received and, consequently, the aforementioned period has not yet commenced.

The amount of assets by deferred taxes converted into tax credit, the establishment of the special reserve and the issuing and granting of conversion rights to the Government shall be certified by the certified statutory auditor.

In July 2019 and January 2020, the Bank was notified of the final Reports of the Tax Authority's inspection services, issued for 2015 and 2016, respectively, both issued by Tax Authorities. In these reports, certain procedures adopted by the Bank, namely in association with special regime of deferred tax assets - (REAIT) and costs accepted by Tax Authorities are being challenged.

In this sense, following the Bank disagreement with these corrections, in November 2019, an administrative complaint was submitted regarding the 2015 Tax Inspection Report and in April 2020, an administrative complaint was submitted regarding the 2016 inspection report. Currently, for the year 2015 and 2016, the corrections in question are being challenged in a Judicial Court.

On January 2021, the Bank received the 2017 and 2018 tax inspection report issued by the Tax Authority's inspection services. In this report, similarly to what happened in the 2015 and 2016 tax inspection reports, some procedures adopted by the Bank regarding the application of REAIT are raised by Tax Authorities.

The Bank disagreeing with these corrections, so in 2021, submitted an administrative complaint for the Tax inspection report of 2017 and 2018. Currently, the corrections in question are being contested in a Hierarchical Appeal.

In May 2023, the Bank was notified of 2020 tax inspection report issued by the Portuguese Tax Authority. In this report, like what happened in the tax inspection reports from 2015 to 2018, some procedures adopted by the Bank regarding the application of REAIT are being challenge.

As the Bank did not agree with these corrections, in 2023, it submitted an administrative complaint to contest the 2020 inspection report. In 2024 financial year, the Bank submitted a Hierarchical Appeal to contest the decision and during 2025 the corrections are being challenged in a Judicial Court.

Finally, it is also noted that, within the scope of the tax inspection for the years 2015, 2016, 2017, 2018 and 2020, the tax authority made corrections to the tax credit of these years in the amount of 14,870 thousand euros (of a total amount of 35,536 thousand euros).

The Bank's management considers that the procedures adopted in those years are compliant with the legislation in force, and therefore estimates that it is not likely that the Tax Authority's position will prevail. Even so, if this correction occurs, it will materialize in the recognition of deferred tax assets. In addition, the Board of Directors believes that any other corrections that may arise, related to the years inspected, will not have a material impact either on the Bank's capital or on the Bank's results in reference to the fiscal year 2026, as essentially its affect tax losses that have not yet been used and for which deferred tax assets have not been recognised.

The activity of Branches abroad is incorporated in the Bank's accounts for determining the taxable profit. Although, the profit of those branches is subject to taxation in the countries where they are established. Local taxes are deductible to the taxes to be paid in Portugal, in accordance with article 91º of CIT Code", when applicable.

The branches' profits are subject to local taxation at the following nominal rates:

Branch	Nominal income tax rate
London	19%
Madrid	30%
Warsaw	19%
Macao	12%

The subsidiary located in Brazil, are subject to tax on their profits under the terms established in the tax rules in force in Brazil, thus in this country profits are subject to nominal rates situated between 34% and 45%.

Current tax assets and liabilities recognized in the statement of financial position in June 30, 2026 and December 31, 2025 can be analysed as follows:

	(thousand euros)			
	Asset		Liability	
	30.06.2026	31.12.2025	30.06.2026	31.12.2025
Corporate income tax	6 676	5 819	(8 392)	(7 606)
Tax Credit (Special Scheme for Deferred Taxes)	15 062	14 870	-	-
Current tax asset / (liability)	21 738	20 689	(8 392)	(7 606)

Deferred tax assets and liabilities recognized in the statement of financial position as June 30, 2026 and December 31, 2025 can be analysed as follows:

(thousand euros)

	Asset		Liability		Net	
	30.06.2026	31.12.2025	30.06.2026	31.12.2025	30.06.2026	31.12.2025
Derivative financial instruments	5 386	7 505	-	-	5 386	7 505
Securities	1 031	919	-	-	1 031	919
Loans and advances to customers	9 356	9 655	-	-	9 356	9 655
Provisions and other assets	5 353	4 879	-	-	5 353	4 879
Pension Fund and Long-term employee benefits	3 943	4 030	-	-	3 943	4 030
Other	1 923	2 425	(5 573)	(5 573)	(3 650)	(3 148)
Tax losses carried forward	66 729	58 921	-	-	66 729	58 921
Deferred tax asset/(liability)	93 721	88 334	(5 573)	(5 573)	88 148	82 761
Net deferred tax asset / (liability)	93 721	88 334	(5 573)	(5 573)	88 148	82 761

The tax amount mentioned in “Others”, in Portugal, corresponds to Branch tax credits (1,625 thousand euros) and reduction of deferred tax asset relating to fair value for profit and loss (-707 thousand euros). The remaining amount corresponds to Brazil and essentially concerns deferred tax relating to legal contingencies (692 thousand euros).

The Group only recognizes deferred tax assets in relation to reportable tax losses when it considers that they are expected to be recovered in the near future. Of the total deferred tax assets of tax losses, 19,712 thousand euros (2025: 20,036 thousand euros) relate to Haitong Bank in Portugal and the remaining amount corresponds to Brazil.

It should be noted that the period of tax losses utilization considers the exceptional measures to the COVID-19 pandemic under the terms of Law No. 27-A / 2020 (Supplementary State Budget for 2020), as well as provided in Law No. 24-D/2022, of December 30 which approved the State Budget for 2023, under which the time limitation for the deduction of tax losses calculated in each tax period is eliminated. Changes to the reporting period apply to tax periods beginning on or after January 1, 2023, as well as to tax losses calculated in tax periods prior to January 1, 2023, whose deduction period is still in progress at that date. However, it should be noted that the new deadline does not apply to tax losses calculated in tax periods prior to January 1, 2023, in which one of the situations provided for in paragraph 1 of article 6 of the applicable special regime has occurred to deferred tax assets (namely, in the event of a negative net result).

Therefore, for Haitong Bank in Portugal, the tax loss for 2014 and 2019 does not expire date and the tax loss for 2015 and 2016 expires in 2029 and 2030, respectively.

The amount of unrecognized deferred tax relating to the tax losses, by year of origin is presented in the following table:

(thousand euros)

Tax losses	30.06.2026	31.12.2025	Expiry Date
2016	32 230	32 230	2030
2018	7 738	7 738	2025
2019	2 484	2 484	no expiry
2025	14 669	13 486	no expiry
Total	57 121	55 938	

The movements in deferred taxes, in the balance sheet, can be presented as follows:

(thousand euros)

	30.06.2026	31.12.2025
Opening balance	82 761	93 627
Recognised in profit or loss	332	(8 482)
Recognised in fair value reserves	112	(885)
Recognised in other reserves	(57)	(1 023)
Foreign exchange variation and others	5 000	(476)
Closing balance (Asset / (Liability))	88 148	82 761

Tax recognised in the income statement and reserves as at June 30, 2026, and June 30, 2025, had the following source:

(thousand euros)

	30.06.2026		30.06.2025	
	Recognised in profit or loss	Recognised in reserves	Recognised in profit or loss	Recognised in reserves
Deferred Taxes				
Derivative financial instruments	2 749	-	7 078	-
Securities	-	(112)	-	122
Loans and advances to customers	517	-	769	-
Provisions and other assets	(31)	-	(173)	-
Pension Fund	31	57	(17)	687
Other	591	-	304	-
Tax losses carried forward	(4 189)	-	(7 423)	-
	(332)	(55)	538	809
Current Taxes	1 875	-	1 448	
Total recognised tax	1 543	(55)	1 986	809

Reconciliation of the tax rate, concerning s recognised amount in the income statement, can be analysed as follows:

(thousand euros)				
	30.06.2026		30.06.2025	
	%	Value	%	Value
Profit or loss before tax and Non-controlling interests		2 792		3 103
Income tax rate of Haitong Bank	23.2		25.2	
Tax determined based on the income tax rate of Haitong Bank		649		783
Difference in the tax rate of subsidiaries	(19.6)	(547)	1.5	48
Bank Levy	8.3	232	11.2	347
Unrecognised tax losses	0.0	-	0.4	12
Branches' income tax	31.4	878	16.4	507
Differences arising from consolidation	(3.9)	(110)	3.2	102
Other movements according to the tax estimation	12.3	344	4.6	143
Autonomous taxation	3.5	97	1.4	44
Total	55.2	1 543	63.9	1 986

NOTE 33 – OTHER LIABILITIES

As of June 30, 2026, and December 31, 2025, the other liabilities heading is analysed as follows:

(thousand euros)		
	30.06.2026	31.12.2025
Creditors and other resources		
Public administrative sector	21 101	18 846
Deposited collateral under clearing agreements (Note 15)	8 137	7 109
Sundry creditors		
Leasing liabilities	5 686	6 841
Creditors from transactions with securities	406	1 650
Suppliers	991	797
Other sundry creditors	1 781	2 283
	38 102	37 526
Accrued expenses		
Career bonuses (Note 15)	502	464
Other accrued expenses	4 543	4 471
	5 045	4 935
Deferred income	376	392
Other sundry liabilities		
Stock exchange transactions pending settlement	2 805	996
Foreign exchange transactions pending settlement	2 654	148
Other transactions pending settlement	11 915	7 901
	17 374	9 045
Total	60 897	51 898

The Public Administrative Sector item includes 18,074 thousand euros (December 31, 2025: 15 752 thousand euros) payable in PIS/Cofins contributions, incurred after December 31, 2014 (Note 36)

As of June 30, 2026, and December 31, 2025, the headings regarding Other sundry liabilities refer to transactions with securities, securities sold/bought subject to repurchase agreement pending settlement.

The sub-heading Accrued expenses - Other Accrued expenses corresponds to liabilities to employees relating to remuneration.

NOTE 34 – CAPITAL, SHARE PREMIUM AND OTHER CAPITAL INSTRUMENTS

Ordinary shares

Until August 3, 2014, the Bank was part of Grupo Banco Espírito Santo, S.A.

On August 3, 2014, Banco de Portugal applied a resolution action to Banco Espírito Santo, S.A., shareholder of 100% of the capital of the Bank, and established Novo Banco, S.A., with a share capital of 4,900 million euros, which incorporated assets of Banco Espírito Santo, S.A. selected by Banco de Portugal. In this regard, the Bank, its branches, and subsidiaries were transferred to Novo Banco, S.A.

On September 7, 2015, the capital of the Bank was fully purchased by Haitong International Holdings Limited.

On December 17, 2015, the Bank increased its capital by 100,000 thousand euros, through the issuance of 20,000 thousand shares with a nominal value of 5 euros each, fully subscribed and paid-up by Haitong International Holdings Limited.

On May 22, 2017, the Bank increased its capital by 40,000 thousand euros, through the issuance of 8,000 thousand shares with a nominal value of 5 euros each, fully subscribed and paid-up by Haitong International Holdings Limited. On May 25, 2017, the Bank increased its capital by 20,000 thousand euros, through the issuance of 4,000 thousand shares with a nominal value of 5 euros each, fully subscribed and paid-up by Haitong International Holdings Limited, resulting from the conversion of a shareholder loan.

On June 13, 2017, the Bank increased its capital by 160,000 thousand euros, through the issuance of 32,000 thousand shares with a nominal value of 5 euros each, fully subscribed and paid-up by Haitong International Holdings Limited. On June 26, 2017, the Bank increased its capital by 160,000 thousand euros, through the issuance of 32,000 thousand shares with a nominal value of 5 euros each, resulting from the conversion of a shareholder loan in the amount of 80,000 thousand euros and the conversion of the Fixed Rate Perpetual Deeply Subordinated Additional Tier 1 Resettable Instruments, amounting to 80,000 thousand euros, fully subscribed and paid-up by Haitong International Holdings Limited.

On August 31, 2017, the Bank increased its capital by 38,500 thousand euros, through the issuance of 7,700 thousand shares with a nominal value of 5 euros each, fully subscribed and paid-up by Haitong International Holdings Limited, resulting from the conversion of a shareholder loan.

In 2022, two resolutions were passed to increase the Bank's share capital by EUR 2,630 thousand on July 1, 2022, bringing share capital to EUR 847,399 thousand, and by EUR 15,879 thousand on December 6, 2022, bringing share capital to EUR 863,278 thousand.

On December 19, 2023, the Bank increased its capital by 7,999 thousand euros, through the issuance of 1 600 thousand shares with a nominal value of 5 euros each, fully subscribed and paid-up by Haitong International Holdings Limited.

On May 5, 2026, the Bank carried out a share capital increase of EUR 328 thousand through the issuance of 65 thousand shares with a nominal value of EUR 5 each, which was fully subscribed and paid up by Haitong International Holdings Limited.

These capital increases in 2026, 2023 and 2022, in the form of incorporation of a special reserve, resulted from the conversion of the rights attributed to the Portuguese State and acquired by Haitong International Holdings Limited, the Bank's sole voting shareholder. In the case of the 2023 capital increase, this relates to the 2016 and 2017 tax years, in the case of the 2022 capital increase, this relates to the 2015 tax year and, in the case of the 2026 capital increase, this relates to the 2020 tax year, issued under the Special Regime applicable to Deferred Tax Assets (REAlD).

As of June 30, 2026, and December 31, 2025, Haitong Bank's share capital amounts to 871,606 thousand euros (December 31, 2025: 871,278 thousand euros) and is represented by 174,321 187 shares (December 31, 2025: 174,255,532 shares) with a nominal value of 5 euros each, fully held by Haitong International Holdings Limited.

Share premiums

On June 30, 2026 and December 31, 2025 share premiums amounted to 8,796 thousand euros, referring to the premium paid by shareholders in the capital increase that took place in previous years.

Other equity instruments

During October 2010, the Group issued perpetual subordinated bonds with conditioned interest in the overall amount of 50 million euros. These bonds have a noncumulative conditioned interest, payable only if and when declared by the Board of Directors.

This conditioned interest, corresponding to the applicable annual rate of 8.5% on nominal value, is paid biannually. These securities may be fully, but not partially, reimbursed after the of September 15, 2015, relying solely on the choice of Haitong Bank, upon approval of Banco de Portugal. These bonds are considered a capital instrument in accordance with the accounting policy described in Note 2.6 due to their characteristics.

During the year of 2011, 46 269 thousand euros in other capital instruments were cancelled due to a transaction regarding owned instruments.

As April 20, 2022, the Bank have fully early repaid these Bonds, at the repayment price, corresponding to the nominal value of 3 731 thousand euros.

In March 2018, the Bank issued perpetual instruments eligible as additional own funds of level 1 (Additional Tier 1), in the overall amount of USD 130 000 thousand, corresponding to 105 042 thousand euros, identified as "Fixed Rate Perpetual Deeply Subordinated Additional Tier 1 Resettable Instruments". Such bonds have a 7.5% non-cumulative conditional interest which is payable only if and when reported by the Board of Directors. Due to their features, such bonds are deemed to be capital instruments, in accordance with the accounting policy laid down in Note 2.6.

These bonds are subordinated in relation to any liability of Haitong Bank and *pari passu* regarding any identical subordinated bonds that may be issued by the Bank.

Since it was issued in 2018, the Group did not pay interest regarding any of these instruments.

NOTE 35 – FAIR-VALUE RESERVES, OTHER RESERVES, RETAINED EARNINGS AND NON-CONTROLLING INTERESTS

Legal reserve, fair-value reserves and other reserves

The legal reserve can only be used for the purposes set out in Article 296 of the Portuguese Commercial Companies Code. One such purpose is the coverage “of the part of the losses carried forward from the previous year that cannot be covered by the profit for the year or by the use of other reserves” (Article 296, paragraph b of the CSC).

Since the Bank has accumulated losses related to previous years, the Legal Reserve was not reinforced in 2025, the profit for that year was entirely allocated to Other Reserves and Retained Earnings to cover these losses.

Fair value reserves represent the potential gains and losses associated with the portfolio of financial assets at fair value through comprehensive income, net of impairment recognized in profit or loss during the period and/or previous periods, as well as adjustments from hedge accounting. These reserves are presented net of deferred taxes.

The heading of other reserves includes the special reserve under REAID in the amount corresponding to 16,568 thousand euros on June 30, 2026 (2025: 16,547 thousand euros).

The movements of these headings were the following:

(thousand euros)

	Fair Value reserves			Other reserves and retained earnings				
	Revaluation reserves	Income tax reserves	Total fair value reserve	Legal Reserve	Actuarial gains/losses (net of taxes)	Exchange differences	Other reserves and retained earnings	Total Other reserves and retained earnings
Balance as of 31 December 2024	(3 679)	1 804	(1 875)	39 878	(22 991)	(179 579)	(204 939)	(367 631)
Actuarial gains/losses	-	-	-	-	4 301	-	-	4 300
Changes in fair value	2 210	(885)	1 325	-	-	-	-	-
Foreign exchange differences	-	-	-	-	-	56	-	57
Transfer to reserves	-	-	-	-	-	-	5 078	5 078
Balance as of 31 December 2025	(1 469)	919	(550)	39 878	(18 690)	(179 523)	(199 861)	(358 196)
Actuarial gains/losses	-	-	-	-	(1 978)	-	-	(1 978)
Changes in fair value	(357)	112	(245)	-	-	-	-	-
Foreign exchange differences	-	-	-	-	-	5 773	-	5 773
Transfer to reserves	-	-	-	-	-	-	(29 668)	(29 668)
Share capital increase	-	-	-	-	-	-	(328)	(328)
Balance as of 30 June 2026	(1 826)	1 031	(795)	39 878	(20 669)	(173 749)	(229 857)	(384 397)

The movement of the fair-value reserve, net of deferred taxes and attributable to the Bank's shareholders can be analysed as follows:

(thousand euros)

	30.06.2026	31.12.2025
Opening balance	(550)	(1 875)
Fair value changes	(84)	1 361
Fair value hedge	(399)	477
Impairment recognised in the period	126	372
Deferred taxes recognised in reserves during the period	112	(885)
Closing balance	(795)	(550)

Non-controlling interests

The Non-controlling interests heading information per subsidiary is as follows:

(thousand euros)

	30.06.2026		31.12.2025	
	Balance sheet	Income statement	Balance sheet	Income statement
Haitong Banco de Investimento do Brasil S.A.	2 932	(502)	3 140	-2892
Haitong Securities do Brasil S.A.	3 833	107	3 414	166
Haitong Negócios S.A.	7 553	202	6 735	465
Haitong do Brasil DTVM S.A.	1 691	45	1 507	72
FI Multimercado Treasury	851	37	747	-73
Total	16 860	(111)	15 543	(2 262)

The movement of Non-controlling interests of the periods ended on the June 30, 2026, and December 31, 2025, can be analysed as follows:

(thousand euros)

	30.06.2026	31.12.2025
Opening balance	15 543	17 549
Dividends paid	-	-
Changes in fair value reserve	(15)	241
Exchange difference and other	1 443	15
Net income for the period	(111)	(2 262)
Closing balance	16 860	15 543

NOTE 36 – CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

As of June 30, 2026, and December 31, 2025, off-balance elements are as follows:

	(thousand euros)	
	30.06.2026	31.12.2025
Contingent liabilities		
Guarantees and stand by letters of credit	85 604	97 937
Assets pledged as collateral	1 474 259	1 346 339
Total	1 559 863	1 444 276
Commitments		
Irrevocable commitments	72 740	63 694
Revocable commitments	41 182	26 623
Total	113 922	90 317

The guarantees and standby letters of credit are banking transactions that do not necessarily represent any outflow for the Group.

As at June 30, 2026, and December 31, 2025, the heading of financial assets pledged as collateral includes:

- Securities pledged as collateral to the Bank of Portugal (i) within the scope of the Large-Value Payment System, amounting to 10,000 thousand euros (December 31, 2025: 10,000 thousand euros), (ii) within the scope of Interbank Clearing System [Sistema de Compensação Interbancária], amounting to 6,500 thousand euros (December 31, 2025: 4,000 thousand euros); and (iii) 240,709 thousand euros of collaterals not discounted (December 31, 2025: 137,747 thousand euros), the values previously described refer to the value after haircut applied by Banco de Portugal, with the total fair value of securities eligible for rediscount with Bank of Portugal amounting to thousand euros 269,134 (December 31, 2025: 159,562 thousand euros); and
- Securities pledged as collateral to the Portuguese Securities Market Commission within the Investor Compensation Scheme in the amount of 250 thousand euros (December 31, 2025: 251 thousand euros);
- Securities pledged as collateral within the scope of transactions with repurchase agreements: 1,142,223 thousand euros (December 31, 2025: 1,121,881 thousand euros);
- Securities pledged as collateral within the scope of derivatives compensation contracts: 62,652 thousand euros (31 December, 2025: 64,647 thousand euros);

The nominal value of the contracted derivative positions is presented in Notes 20 and 21. The assets written off are also presented in the respective notes, in particular Note 22, Note 23 and Note 24.

Securities received in operations with resale agreements (Note 23) have a fair value of 1,831 thousand euros (31 December, 2025: 33,385 thousand euros).

Additionally, the off-balance elements related to banking services provided are as follows:

(thousand euros)

	30.06.2026	31.12.2025
Liabilities related to services provided		
Commercial paper programmes agency	71 850	71 750
Other responsibilities related with services provided	324 658	304 064
Total	396 508	375 814

Other responsibilities for service provision include values relating to client assets invested in Portfolio Management.

Contingent liabilities

Banco Espírito Santo (BES), Novo Banco and Haitong Bank (and, in some cases, supervisory authorities, auditors and former directors from BES) have been sued in civil proceedings associated with facts of the former Grupo Espírito Santo (GES).

Within this framework, Haitong Bank is currently a defendant in a proceeding associated with the share capital increase of BES, which took place in June 2014.

As regards to this legal proceeding (case brought by several investment funds), after the decision of the trial court to declare that the case had been “abandoned”, the Lisbon Court of Appeal revoked that decision and ordered the continuation of the proceeding. Two of the Defendants in this proceeding appealed to the Supreme Court of Justice that confirmed the decision of the Court of Appeal. Extraordinary review and Constitutional Court appeals were filed, all of them maintaining the previously decided by the Lisbon Court of Appeal. The legal procedure returned to the trial court (1st instance) for the continuation of said procedure, and now the appointment of the preliminary hearing is yet to be awaited.

Haitong Bank is also a Defendant in 3 proceedings, all associated with issues of financial instruments of GES’s entities (Rioforte and ESI – Espírito Santo International).

Since the beginning of these legal proceedings in 2015, it is the opinion of Haitong Bank’s Legal Department and of the external lawyers to whom the proceedings have been entrusted, that such proceedings do not have legal sustainability, wherefore it is considered unlikely that any judgment will be made against Haitong Bank in relation thereto. Such opinion is hereby reasserted.

Such opinion has been supported by several judicial decisions.

In fact, of the 78 cases filed against the Bank regarding the issue of commercial paper and other financial instruments by GES’ entities, 50 cases have already been res judicata with the total acquittal of Haitong Bank and 25 cases having been withdrawn by the Claimants.

On July 2019, Haitong Bank has been notified of a new legal action brought against itself and several former board members of BES, regarding commercial paper issued by Espírito Santo International and Rioforte in 2013 and 2014.

Such legal action has been submitted by a credit recovery fund (Fundo de Recuperação de Créditos “FRC – INQ – Papel Comercial ESI e Rio Forte”) to which have been allegedly assigned the claims submitted by certain holders of ESI and Rioforte commercial paper, which amounts up to € 517,500,099.71, plus interests. Haitong Bank presented its written defence on the 25th of June 2020. The Bank is waiting for the preliminary hearing to be scheduled by the Court.

In the opinion of the external lawyers to whom this proceeding, brought by FRC, has been entrusted, such proceeding does not have a solid legal sustainability and therefore it is considered unlikely that any judgment will be made against Haitong Bank.

Following the above stated, Haitong Bank did not establish any provision related to such legal proceedings.

Without prejudice of the above mentioned regarding the successful outcome for Haitong Bank from such proceedings, and in order to comply with the applicable accounting rules, it is not possible to achieve an amount of expected losses which could eventually arise for Haitong Bank, individually considered, once such legal proceedings are brought against several entities and not only against Haitong Bank.

On June 2022, Haitong Bank was served of a civil legal action brought against itself and another entity, under which the payment of 4 905 460.96 euros, plus interests, was claimed to the defendants, on a joint and several bases, filled by REDITUS GESTÃO, S.A. and GREENDRY LDA, (Claimants), within Lisbon’s first instance civil court of law, based on the breach by the Bank of its obligations as an Escrow Agent, among other things.

The other defendant has appealed of the First Instance Court decision in the preliminary hearing and has been acquitted, since the Appeal Court considered that there was an arbitration clause that excluded the civil court jurisdiction on this matter. Such decision was confirmed by the Supreme Court. The legal action proceeded in the first instance civil court only against Haitong Bank, who has requested its suspension until a decision of the arbitral court regarding the dispute between the claimants and the other former defendant was reached. By decision of the Appeal Court dated of 30th March 2026, the legal action is suspended.

In Brazil, the constitutionality of the law applicable to the levy of contributions to the Social Integration Program ("PIS") and Social Security Financing ("Cofins") on other revenues other than those arising from the sale of goods and the provision of services. Supported by a court decision, the entities of the Group in Brazil, deposit monthly the amounts subject to judicial discussion and deliver directly to the Tax Authorities only those amounts that affect service revenues, which are not the object of this discussion. The amounts subject to judicial deposits are recorded in the balance sheet, under other assets. It is the Group's understanding, based on the opinions of its legal advisors, that the possibility of suffering a court decision against the Bank is less than 50%.

Resolution Fund and Single Resolution Fund

The Resolution Fund is a public-law legal entity with administrative and financial autonomy, created by Decree-Law No. 31-A/2012 of 10 February, governed by the General Framework for Credit Institutions and Financial Companies (RGICSF) and by its own regulation. Its mission is to provide financial support to resolution measures applied by Banco de Portugal, in its capacity as the national resolution authority, and to perform all other functions assigned to it by law in the context of the implementation of such measures.

The Bank, like most financial institutions operating in Portugal, is one of the participating institutions in the Resolution Fund, making contributions resulting from the application of a rate defined annually by Banco de Portugal based essentially on the amount of its liabilities. As at 30 June 2026, the periodic contribution made by the Bank amounted to 337 thousand euros (31 December 2025: 490 thousand euros), based on a contribution rate of 0.047% calculated in accordance with Banco de Portugal Instruction No. 28/2023.

The Single Resolution Fund (SRF) is the European mechanism for financing resolution measures applicable to institutions covered by the Single Resolution Mechanism (“SRM”), funded through annual contributions from the credit institutions of participating Member States. Under Regulation (EU) No. 806/2014, the SRF aims to reach an amount equivalent to 1% of covered deposits held by institutions in Member States participating in the SRM.

In February 2024, the Single Resolution Fund announced that no annual contribution would be levied for the 2024 financial year, as the fund had already reached its target level at 31 December 2023. Accordingly, in 2024, 2025 and 2026, Portuguese banks were no longer required to make contributions to the SRF.

In the context of its responsibilities as the supervisory and resolution authority for the Portuguese financial sector, on 3 August 2014 Banco de Portugal decided to apply a resolution measure to Banco Espírito Santo, S.A. (BES), pursuant to Article 145-G(5) of the General Framework for Credit Institutions and Financial Companies (RGICSF), consisting of the transfer of most of its business to a bridge bank, named Novo Banco, S.A. (Novo Banco), specifically created for that purpose.

For the purpose of paying up Novo Banco’s share capital, the Resolution Fund provided 4 900 million euros, of which 377 million euros corresponded to its own financial resources. A loan was also granted by a banking syndicate to the Resolution Fund in the amount of 700 million euros, with each credit institution’s participation weighted according to various factors, including its size. The remaining amount (3 823 million euros) originated from a repayable loan granted by the Portuguese State.

In December 2015, the national authorities decided to sell most of the assets and liabilities associated with the business of Banif – Banco Internacional do Funchal, S.A. (Banif) to Banco Santander Totta, S.A. (Santander Totta), for 150 million euros, also within the framework of the application of a resolution measure. This operation involved estimated public support of 2,255 million euros, intended to cover future contingencies, financed in the amount of 489 million euros by the Resolution Fund and 1,766 million euros directly by the Portuguese State. In the context of this resolution measure, Banif’s assets identified as problematic were transferred to an asset management vehicle created for that purpose – Oitante, S.A. – with the Resolution Fund as its sole shareholder, through the issue of debt securities by that vehicle in the amount of 746 million euros, guaranteed by the Resolution Fund and counter-guaranteed by the Portuguese State.

The resolution measures applied in 2014 to BES (the process that led to the creation of Novo Banco) and in 2015 to Banif created uncertainties related to litigation risk involving the Resolution Fund, which is significant, as well as to the risk of a possible insufficiency of resources to ensure fulfilment of its obligations, in particular the short-term repayment of the financing obtained.

Against this background, in the second half of 2016 the Portuguese Government reached an agreement with the European Commission to amend the terms of the financing granted by the Portuguese State and by the participating banks to the Resolution Fund, in order to preserve financial stability by promoting conditions that provide predictability and stability to the contribution effort required from the Resolution Fund. To that end, an amendment to the financing agreements with the Resolution Fund was formalised, introducing a set of changes to the repayment schedules, remuneration rates and other terms and conditions associated with those loans, so that they would be aligned with the Resolution Fund's capacity to fully meet its obligations based on its regular income, i.e. without the need to charge participating banks in the Resolution Fund any special contributions or any other type of extraordinary contribution.

According to the Resolution Fund's statement of 31 March 2017, the review of the terms of the financing granted by the Portuguese State and by the participating banks aimed to ensure the sustainability and financial balance of the Resolution Fund, based on a stable, predictable and manageable charge for the banking sector. Based on this review, the Resolution Fund assumed that the full payment of its liabilities, as well as the respective remuneration, is ensured without the need to resort to special contributions or any other type of extraordinary contributions from the banking sector.

In addition, on 31 March 2017, Banco de Portugal announced that it had selected the Lone Star Fund to acquire Novo Banco, a transaction which was completed on 17 October 2017. The Lone Star Fund became the holder of 75% of Novo Banco's share capital, while the Resolution Fund retained the remaining 25%. In addition, the approved terms include a contingent capitalisation mechanism, under which the Resolution Fund, as shareholder, may be called upon to make capital injections if certain cumulative conditions are met. Any capital injections to be made under this contingent mechanism are subject to an absolute maximum limit of 3,890 million euros over an eight-year period.

On 13 June 2025, Novo Banco, S.A. announced to the market that its majority shareholder, Nani Holdings S.à r.l. (an entity held by Lone Star Funds), had signed a Memorandum of Understanding for the sale of its shareholding to BPCE, for an amount equivalent to an approximate valuation of 6.4 billion euros for 100% of the share capital. On the same date, Novo Banco, S.A. also announced that completion of the transaction was expected to occur during the first half of 2026. Also on 13 June 2025, the Resolution Fund announced that, holding 13.54% of the share capital of Novo Banco, S.A., the sale of its shareholding as part of this transaction would allow it to obtain gross proceeds of approximately 866 million euros, in addition to the amounts already received from Novo Banco, S.A. as dividends relating to 2024 results (gross amount: 30 million euros) and under the capital reduction carried out in 2025 (149 million euros).

On 30 April 2026, the sale of Novo Banco's entire share capital to Groupe BPCE was completed. For the disposal of its 13.54% shareholding, the Resolution Fund received 906 million euros. This amount was added to the amounts received in 2025 relating to dividends and Novo Banco's capital reduction, increasing to 1,082 million euros the total amount received by the Resolution Fund as a result of its shareholding in Novo Banco. Following completion of the transaction, the Resolution Fund no longer holds any equity interest in Novo Banco.

The resolution measures applied to BES and Banif continue to involve uncertainties, namely regarding ongoing legal proceedings, the possible application of the principle that no creditor may incur greater losses than they would have incurred in a liquidation scenario (no creditor worse off), the guarantee provided in respect of the bonds issued by Oitante and other liabilities that may be attributed to the Resolution Fund. In the financial statements for 2025, published in 2026, the Resolution Fund recognised a provision of 630 million euros related to potential compensation under that principle, with its realisation remaining dependent on the fulfilment of the applicable legal requirements.

Notwithstanding the legal possibility of charging special contributions, taking into account the terms of the Resolution Fund's financing, the public statements made by the competent authorities and the developments described above, namely the completion of the sale of the shareholding in Novo Banco, the financial statements as at 30 June 2026 reflect the Group's expectation that no special contributions or other extraordinary contributions will be required to finance the resolution measures applied to BES and Banif, or other liabilities or contingent liabilities assumed by the Resolution Fund.

NOTE 37 – RELATED PARTIES TRANSACTIONS

The Group's related parties transactions as of June 30, 2026, and December 31, 2025, as well as the respective expenses and income recognised in the year, are summarized as follows:

(thousand euros)

	30.06.2026					
	Assets			Liabilities	Income	Expenses
	Credit	Others	Total			
Subsidiaries and associates of shareholders						
HAITONG INTERNATIONAL SECURITIES CO LTD	-	-	-	-	-	10
HAITONG INVESTMENT IRELAND PLC	33 001	50	33 051	2 848	994	16
HAITONG PRIVATE EQUITY FUND	-	2	2	95	(13)	-
GUOTAI HAITONG FINANCIAL HOLDINGS LIMITED	-	129	129	-	129	-
GUOTAI HAITONG SECURITIES CO., LTD.	-	514	514	-	514	-
GUOTAI JUNAN FUTURES CO.,LTD	-	29	29	-	29	-
GUOTAI JUNAN HOLDINGS LIMITED	-	-	-	-	6	-
HAITONG INTERNATIONAL SECURITIES CO LTD	-	129	129	-	129	-
TOTAL	33 001	853	33 854	2 943	1 788	26

(thousand euros)

	31.12.2025					
	Assets			Liabilities	Income	Expenses
	Credit	Others	Total			
Ultimate parent company and Shareholders						
HAITONG SECURITIES CO., LTD		-	-	-	4	-
Subsidiaries and associates of shareholders						
HAITONG INTERNATIONAL SECURITIES CO LTD	-	-	-	-	-	19
HAITONG INVESTMENT IRELAND PLC	32 974	100	33 074	3 312	2 160	31
HAITONG PRIVATE EQUITY FUND	-	112	112	200	(68)	-
HAITONG UT BRILLIANT LIMITED	-	-	-	-	16	-
TOTAL	32 974	212	33 186	3 512	2 112	50

As of June 30, 2026, the net income heading includes 680 thousand euros concerning fee and commission income heading from banking services (December 31, 2025 160 thousand euros).

The value of Haitong Group transactions with related entities in which the Administrator and/or family have significant influence in the periods ended June 30, 2026, and December 31, 2025, as well as the respective costs and income recognized in the period, are summarized as follows:

(thousand euros)

	30.06.2026				
	Assets		Liabilities	Income	Expenses
	Others	Total			
Entities with relevant influence					
Fundo de pensões Haitong Bank	58 369	58 369	-	2 186	-
CAMARA COMERCIO E INDUSTRIA LUSO-CHINESA	-	-	-	-	1
BANCO CTT SA	-	-	-	3	-
Members of the management and supervisory bodies	-	-	573	-	4
TOTAL	58 369	58 369	573	2 189	5

(thousand euros)

	31.12.2025				
	Assets		Liabilities	Income	Expenses
	Others	Total			
Entities with relevant influence					
Fundo de pensões Haitong Bank	56 792	56 792	-	4 423	-
CAMARA COMERCIO E INDUSTRIA LUSO-CHINESA	-	-	-	-	6
Members of the management and supervisory bodies	-	-	579	-	8
TOTAL	56 792	56 792	579	4 423	14

All transactions with Related Parties are carried out under normal market conditions. When it is not possible to determine the market conditions applicable to a given transaction with a Related Party, the Group applies a comparability benchmark to assess market conditions.

NOTE 38 – FAIR-VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair-value of financial assets and liabilities

Haitong Bank Group estimates the fair value of its instruments based on prices quoted in active markets or, when such prices are not available, based on valuation techniques following standard valuation models such as discounted cash flows and option pricing models. The valuation models' parameter inputs are based on observable data, when available, derived from prices of financial instruments actively traded or based on indicative broker quotes.

The Group performs valuation adjustments to reflect counterparty credit risk (CVA) for uncollateralized derivatives assets considering the current exposure, loss given default and the probability of default. This probability of default is based on the Group's credit risk assessment model or market information where applicable.

The fair-value of financial assets and liabilities for the Group is analysed as follows:

(thousand euros)						
	Amortised cost	Valued at Fair Value			Total book value	Fair Value
		Level 1	Level 2	Level 3		
Balance as of 30 June 2026						
Cash and cash equivalents	23 122	-	-	-	23 122	23 122
Financial assets held for trading						
Securities	-	917 956	35	-	917 991	917 991
Derivative financial assets	-	-	18 461	-	18 461	18 461
Non-trading financial assets mandatorily at fair value through profit or loss						
Securities	-	-	6 368	10 257	16 625	16 625
Loans and advances to customers	-	-	-	24	24	24
Financial assets at fair value through other comprehensive income	-	279 427	24 715	51 040	355 182	355 182
Financial assets measured at amortised cost						
Securities	643 960	-	-	-	643 960	630 898
Loans and advances to banks	305 457	-	-	-	305 457	305 457
Loans and advances to customers	738 061	-	-	-	738 061	733 616
Financial assets	1 710 600	1 197 383	49 579	61 321	3 018 883	3 001 376
Financial liabilities held for trading						
Securities	-	513	-	-	513	513
Derivative financial liabilities	-	-	18 081	-	18 081	18 081
Financial liabilities measured at amortised cost						
Resources of credit institutions	1 212 649	-	-	-	1 212 649	1 187 641
Resources of customers	1 096 748	-	-	-	1 096 748	1 092 134
Debt securities issued	255 362	-	-	-	255 362	254 200
Financial liabilities	2 564 759	513	18 081	-	2 583 353	2 552 569
Balance as of 31 December 2025						
Cash and cash equivalents	24 507	-	-	-	24 507	24 507
Financial assets held for trading						
Securities	-	868 218	1 770	-	869 988	869 988
Derivative financial assets	-	-	17 364	-	17 364	17 364
Non-trading financial assets mandatorily at fair value through profit or loss						
Securities	-	-	5 924	10 110	16 034	16 034
Loans and advances to customers	-	-	-	24	24	24
Financial assets at fair value through other comprehensive income	-	216 815	30 478	67 634	314 927	314 927
Financial assets measured at amortised cost						
Securities	568 068	-	-	-	568 068	567 065
Loans and advances to banks	651 713	-	-	-	651 713	651 713
Loans and advances to customers	726 560	-	-	-	726 560	726 239
Financial assets	1 970 848	1 085 033	55 536	77 768	3 189 185	3 187 861
Financial liabilities held for trading						
Securities	-	32 724	-	-	32 724	32 724
Derivative financial liabilities	-	-	23 038	-	23 038	23 038
Financial liabilities measured at amortised cost						
Resources of credit institutions	1 195 890	-	-	-	1 195 890	1 169 867
Resources of customers	1 251 441	-	-	-	1 251 441	1 247 710
Debt securities issued	243 459	-	-	-	243 459	242 148
Financial liabilities	2 690 790	32 724	23 038	-	2 746 552	2 715 487

Fair-value Hierarchy

The Bank's financial instruments are classified under the three levels defined in IFRS 13 according to the following:

Level 1 – Instruments valued using quoted prices observed in active and liquid markets. These include government bonds, credit bonds and exchange traded equities and derivatives.

Level 2 – Instruments valued using valuation techniques based on observable market inputs, quotes prices for similar instruments in active markets or for identical instruments in markets that are neither active nor liquid. These includes bonds, plain vanilla OTC derivatives, less liquid equities and funds valued at Net Asset Values (NAV) published daily by the fund manager and with possibility of daily redemption. The OTC derivatives includes financial instruments traded in OTC (over the counter), in which the counterparty has signed agreements of collateral (ISDA with CSA – Credit Support Annex), with very small Minimum Transfer Amount (MTA), which allows to mitigate the counterparty's Credit Risk while the CVA (Credit Value Adjustment) does not have a significant impact on the instrument valuation. Additionally, it also includes financial derivatives traded in OTC, without CSA, but the percentage of information not observed in market (e.g.: Internal Rating, Probability of Default determined by internal models, etc.) within the CVA valuation is not meaningful in what concerns the value of derivative as a whole. It is considered as significant when the value of CVA is higher than 5%.

Level 3 – Instruments measured using valuation techniques based on non-observable market inputs and that do not comply with the requirements to be classified under Level 1 nor Level 2. These include non-plain vanilla OTC derivatives valued based on non-observable market inputs or on indicative prices published by third parties, distressed and highly illiquid bonds, funds valued at Net Asset Values (NAV) published by the fund manager without possibility of daily redemption and private equity placements. In the Level 3 are included financial instruments traded in OTC market with counterparties which Haitong Bank does not have CSA signed and the percentage of unobservable data incorporated in CVA valuating is considered significant in the total value of the derivative (value of CVA has a weight higher than 5% of the value of derivative).

For the valuation of these instruments, unobservable inputs are the Credit Spread, in the case of bonds and the CVA in the case of derivatives.

The CVA represents the specific adjustment applied to reflect counterparties' credit risk on derivatives with a positive fair value. To calculate CVA, Haitong Bank considers the Positive Net Present Value (NPV) of the derivatives—representing the amount owed to the Bank in the event of the counterparty's default—and combines it with a weighting based on the Probability of Default (PD) and the Loss Given Default (LGD).

The Bank uses global default probabilities published annually by Standard & Poor's ("Mapping of S&P Global Market Intelligence Default Rates for Low Default Portfolios"), and the internal assignment of ratings follows S&P's methodology, being the PDs adjusted through the Bank's annual forward looking exercise, ensuring consistency between internal ratings and the PDs applied.

Also, an LGD benchmark derived from Moody's annual study on recovery rates by rating category ("Moody's Corporate Default and Recovery Rates") is used as a proxy, being the LGD solely applied to the unsecured portion of each contract, meaning the exposure amount net of collateral after applying the relevant haircut.

For financial instruments recorded in the balance sheet at fair value, the movement occurred between June 30, 2026, and December 31, 2025, in assets and liabilities classified in level 3 is as follows:

(thousand euros)

	Financial assets held for trading	Financial assets mandatory at fair value through profit or loss		Financial assets at fair value through other comprehensive income	Total
	Securities	Securities	Loans and advances		
Balance as of 31 December 2025	-	10 109	24	67 633	77 766
Results recognised in Net Interest Margin	-	-	-	433	433
Net trading income and from other financial instruments at fair value through profit or loss	-	(505)	-	(34)	(539)
Net gains/(losses) derecognition of financial assets measured at fair value through other comprehensive income	-	-	-	(19)	(19)
Impairment on other financial assets net of reversal and recoveries	-	-	-	(89)	(89)
Other fair value changes	-	653	-	(82)	571
Acquisitions	-	-	-	12 373	12 373
Sales	-	-	-	(24 052)	(24 052)
Transfers from other levels	-	-	-	-	-
Transfers to other levels	-	-	-	(5 123)	(5 123)
Balance as of 30 June 2026	-	10 257	24	51 040	61 321

In June 2026, based on the assessment of the market liquidity of the securities, financial assets at fair value through other comprehensive income amounting to EUR 5,123 thousand were transferred from Level 3 to Level 1. Based on the same assessment of the market liquidity of the securities, financial assets at fair value through other comprehensive income amounting to EUR 3,959 thousand were transferred from Level 1 to Level 2 and EUR 8,832 thousand from Level 2 to Level 1.

Based on the same assessment, trading financial assets amounting to EUR 428 thousand were also transferred from Level 2 to Level 1.

With regard to derivative instruments, during the period from January to December 2025:

(thousand euros)

	Financial assets held for trading		Financial assets mandatory at fair value through profit or loss		Financial assets at fair value through other comprehensive income	Total
	Securities	Derivative financial assets	Securities	Loans and advances		
Balance as of 31 December 2024	4 697	-	11 922	23	54 185	70 827
Results recognised in Net Interest Margin	221	-	916	-	178	1 315
Net trading income and from other financial instruments at fair value through profit or loss	-	-	-	1	(51)	(50)
Net gains/(losses) derecognition of financial assets measured at fair value through other comprehensive income	-	-	-	-	16	16
Impairment on other financial assets net of reversal and recoveries	-	-	-	-	(107)	(107)
Other fair value changes	(34)	-	(593)	-	211	(416)
Acquisitions	-	-	15	-	21 982	21 997
Sales	(4 884)	-	(2 151)	-	(28 858)	(35 893)
Transfers from other levels	-	-	-	-	20 077	20 077
Balance as of 31 December 2025	-	-	10 109	24	67 633	77 766

In December 2025, based on the assessment of the market liquidity of the securities, financial assets at fair value through other comprehensive income amounting to EUR 20,077 thousand were transferred from Level 2 to Level 3.

The main parameters used in the valuation models during 2026 were as follows:

Yield curves

The short-term rates set out below reflects indicative values of deposit interest rates and/or futures. Swap rates are used in the long-term tenors of the interest curve:

(%)

	30.06.2026			31.12.2025		
	EUR	USD	GBP	EUR	USD	GBP
Overnight	2.18	3.62	3.58	1.93	3.71	3.72
1 month	2.20	3.66	3.78	1.94	3.67	4.04
3 months	2.32	3.74	3.85	2.03	3.65	3.99
6 months	2.57	3.87	3.90	2.11	3.58	3.87
1 year	2.72	4.03	3.89	2.15	3.43	3.65
3 years	2.70	3.97	3.88	2.38	3.34	3.62
5 years	2.73	3.93	3.97	2.57	3.46	3.79
7 years	2.80	3.96	4.08	2.73	3.61	3.93
10 years	2.91	4.04	4.27	2.92	3.80	4.21
15 years	3.07	4.19	4.57	3.14	4.05	4.56
20 years	3.13	4.26	4.81	3.24	4.17	4.70

Credit spreads

Credit spreads curves and recovery rates used by the Group are sourced, on a daily basis, from Markit. The table below reflects the evolution of the main CDS indices:

(basis points)

Index	3 years	5 years	7 years	10 years
30.06.2026				
CDX USD Main	30.39	51.07	69.23	90.90
iTraxx Eur Main	27.96	51.63	71.16	93.13
iTraxx Eur Senior Financial	-	54.38	-	91.08
31.12.2025				
CDX USD Main	29.69	50.01	69.59	89.36
iTraxx Eur Main	27.07	50.66	69.98	91.25
iTraxx Eur Senior Financial	-	54.34	-	-

Interest rate volatilities

The following figures reflect at-the-money implied volatilities:

(%)

	30.06.2026			31.12.2025		
	EUR	USD	GBP	EUR	USD	GBP
1 year	64.62	73.63	67.24	22.94	54.80	36.99
3 years	79.64	91.69	89.32	53.57	72.62	60.38
5 years	79.96	92.11	95.41	67.72	78.63	70.36
7 years	79.19	91.01	95.59	66.39	91.30	76.44
10 years	77.21	88.82	95.15	68.24	82.95	82.35
15 years	75.01	87.10	94.74	68.15	84.15	86.14

Foreign exchange rate and volatilities

The table below reflects ECB's foreign exchange rates fixings and at-the-money implied volatilities:

	Exchange rate		Volatiliy (%)				
	30.06.2026	31.12.2025	1 month	3 months	6 months	9 months	1 year
EUR/USD	1.1394	1.1750	5.47	5.42	5.51	5.72	6.07
EUR/GBP	0.8618	0.8726	3.32	3.63	4.06	4.35	4.70
EUR/CHF	0.9224	0.9314	3.12	3.65	4.02	4.34	4.66
EUR/PLN	4.2955	4.2210	2.90	3.30	3.69	4.03	4.31
EUR/CNY	7.7314	8.2262	4.40	4.34	4.32	4.39	4.63
USD/BRL a)	5.1784	5.4778	10.70	11.60	14.17	14.00	14.06

a) Calculated based on the cross exchange rate between EUR/USD and EUR/BRL

The main methods and assumptions used in the abovementioned valuation of the fair-value of financial assets and liabilities are analysed as follows:

Cash and cash equivalents and Loans and advances to banks

The statement of financial position value of these financial instruments is considered a reasonable assumption of the corresponding fair-value due to their associated short timeframe.

Loans and advances to customers

The fair-value of loans and advances to customers is estimated based on the update of expected cash flows and interest, by taking into account market spreads for similar transactions (if they were entered into in the current moment) considering that the instalments are paid in compliance with the deadlines contractually agreed upon. For credit exposures classified in Stage 3, the Bank uses the respective net carrying amount as the fair value.

Resources of credit institutions

The fair value of these financial instruments is estimated based on the update of the expected cash flows of principal and interest, considering that the payments occur on the contractually defined dates.

Resources of customers

The fair value of these financial instruments is estimated based on the update of the expected cash flows of principal and interest, considering that the payments occur on the contractually defined dates. In accordance with IFRS 13.47, the fair value of liabilities with a demand feature cannot be lower than the amount payable to the customer. However, the Bank has considered, as underlying assumptions, the stability of the liability base and a normal course of business context; therefore, the fair value estimate does not take this criterion into consideration.

Debt securities issued and Subordinated Liabilities

Generically, the fair-value of these instruments is based in market prices, when available. When unavailable, the fair-value it is estimated based on the update of expected cash flows in capital and interest regarding these instruments in the future.

Specifically for HB Brazil, the fair value of these instruments is based on the forecast of future cash flows, discounted by the Brazilian Interest Curve (composed of B3 DI Futures Contracts), plus a credit spread according to the internal Funding Transfer Price (FTP) of the remaining term of the transaction.

NOTE 39 – RISK MANAGEMENT

As an independent control function, the Risk Management Department, being actively involved in all material decisions and aligned with parent guidelines and practices, aims to enable the Bank to make informed decisions and ensure that the risk policies approved by the Board of Directors are duly implemented and followed.

Credit Risk

The Credit Risk results from the possibility of financial losses arising from the default of the customer or counterparty in relation to the contractual financial obligations established with the Group in the scope of its credit activity. Credit risk is mainly present in traditional banking products - loans, guarantees and loan commitments given - and in derivative products - swaps, forwards and options (counterparty risk).

The Group's credit portfolios are permanently monitored, with interaction between the business teams and risk management throughout the sequential stages of the credit cycle.

The Group's credit risk profile is regularly monitored, namely, in what concerns the evolution of credit exposure, delinquency ratios and provisioning, and concentration metrics.

The Group also controls the approved credit limits and assures the proper functioning of mechanisms related with the credit approval process.

ECL Calculation

The IFRS 9 standard outlines a “three-stage” model for impairment based on changes in credit quality since initial recognition. According to Haitong Bank Group model, Expected Credit Loss (ECL) is determined as per the detailed information included in chapter 2.4.1., Impairment of Financial Assets and Financial Model:

- **Stage 1 – Performing:** Impairment assessment is carried out based 12-month expected credit loss (ECL). The ECL is measured by the present value of the exposure at default as at the reference date multiplied by the 12-month probability of default and the loss given default;
- **Stage 2 – Under Performing:** Impairment assessment will reflect the ECL lifetime resulting from a possible default event that may occur over the expected residual life of the instrument. The ECL considers the expected cash flows and the lifetime PD over the remaining life of the financial instrument. The Group considers the daily inter-period PD at the reference date for the ECL calculation.
- **Stage 3 – Non Performing:** Impairment assessment will reflect the ECL over the expected residual life of the instrument.

ECL measurement inputs

As a result of the characteristics of the Group's portfolio (reduced number of transactions and high heterogeneity), the calculation of the ECL has as the main vector of measurement the individual analysis assessment. Under the collective model, which is applied to financial instruments classified in Stage 1 and to determine the minimum impairment rate applicable to financial instruments classified in Stage 2, the key inputs for ECL measurement are the following:

- **Probability of Default (PD):** describes the likelihood of default. Haitong Bank takes in account the PD provided by from S&P, whereas the rating assigning process is performed internally based on the S&P methodology. This assures the alignment between the internal risk management and the impairment calculation process. Additionally, the Group incorporates climate and environmental considerations into its credit activities through an ESG Risk scoring model, which identifies clients with potentially high ESG risks. For such clients, further ESG due diligence is conducted to assess mitigation measures, leading to a final ESG risk classification embedded in the rating, thus impacting the ECL calculation.
- **Loss Given Default (LGD):** is the magnitude of the loss at the time of a default. The Bank applies the LGD based on Moody's LGD benchmarks (recovery rates), depending on the debtor and the financial instrument's characteristics.
- **Exposure at Default (EAD):** the expected exposure in the event of a default. The calculation of EAD depends on the asset type.

Regarding undrawn loan commitments and financial guarantees, the amount considered in the calculation of impairment at each stage results from the exposure as of the reference date weighted by the credit conversion factor (according with CRR).

Forward-Looking Information

As part of the forward-looking exercise, the Group adjusted the through-the-cycle probabilities of default provided by S&P (“TTC PD”), incorporating prospective macroeconomic information, and generated “point-in-time” probabilities of default (“PiT PD”), which are more precise and adequate to a point in time. The TTC PD are the default probabilities provided by S&P, having the Group developed a methodology to estimate PiT PD, based on the Scalar Factor concept, i.e., a coefficient that enables the conversion of TTC PD into PiT PD.

The forward-looking information used by the Group is grounded on a simplified approach, based on a proportionality concept, and due to size and profile of the Bank. Considering the characteristics of the Bank’s portfolio, and in view of its worldwide presence, the 2025 forward-looking exercise involves a global macroanalysis.

A scenario-based approach upon external information was implemented, which provides sufficient granularity to meet regulatory and accounting requirements. The scenario-based approach incorporates a base case and downside scenario, weighted by their probability of occurrence, respectively, 80% and 20%.

The table below systematizes the assumptions considered for each scenario, whereas the Bank took into consideration the existing projections of reputed entities.

	Global GDP		Global Inflation		EURIBOR 3-months rate	
	(% of change of constant prices)		(% change in average CPI)		(rate)	
Scenario / Year	Downside	Base	Downside	Base	Downside	Base
2026	2.60%	3.09%	2.80%	3.71%	1.50%	1.90%
2027	2.50%	3.22%	2.75%	3.42%	1.25%	2.10%
2028	2.50%	3.21%	2.60%	3.31%	1.00%	2.42%

The Group's forward-looking exercise applies to the collective impairment model and covers exposures with a significant increase in credit risk, i.e., classified in Stage 2, namely whenever economic projections are available.

The Group's forward-looking exercise applies to the collective impairment model and covers exposures with a significant increase in credit risk, i.e., classified in Stage 2, namely whenever economic projections are available.

The annual update of the forward-looking exercise as of December 2025 led to a decrease of impairment of approximately 65 thousand euros.

Haitong Bank also carried out a sensitivity analysis, as of December 31st, 2025, based on the impact assessment of a 10% variation in external parameters considered in the collective model for the calculation of expected credit losses (PD and LGD). Finally, a +10% shock was applied to the PiT PD and the LGD parameters, verifying that the impact on expected credit losses would result in an increase of approximately 427 thousand euros for each scenario. Moreover, the Bank conducted a sensitivity analysis to disclose the impacts on impairment resulting from variations in the weighting of the scenarios used, adjusting the base case and downside scenario weights to 70% and 30%, respectively. This analysis verified that the impact on expected credit losses would result in an increase of approximately 55 thousand euros.

Additionally, the Group has carried out the regular stress testing exercise covering its credit portfolios, which essentially relies on a sensitivity analysis to assess the potential impacts over its asset quality/risk profile main indicators, resulting from market wide, counterparty-specific, and region-specific shock scenarios.

The financial instruments subject to standard IFRS 9 impairment requirements are presented below, detailed by stage, as of June 30, 2026, and December 31, 2025. It should be highlighted that throughout the presentation of the credit risk tables, the asset class of debt instruments (securities) included a bond measured at FVTPL in the amount of 966 thousand euros, and a loan to customers measured at FVTPL in the amount of 24 thousand euros which, despite not being subject to impairment calculation, contribute at a prudential level to the Bank's banking book and are therefore presented in these tables.

(thousand euros)

Asset Type	30.06.2026										
	Stage 1			Total Stage 1	Stage 2		Total Stage 2	Stage 3 and POCI		Total Stage 3	Total
	Low to Fair risk [aaa+;a-]	Monitoring [bbb+;b-]	Not rated		Low to Fair risk [aaa+;a-]	Monitoring [bbb+;b-]		Impaired [d]			
Loans and advances to customers	60 480	645 416	-	705 896	-	23 984	23 984	28 118	28 118	757 998	
Loan commitments	2 100	65 020	-	67 120	-	1 288	1 288	514	514	68 922	
Guarantees	27 788	49 186	-	76 974	-	-	-	8 630	8 630	85 604	
Securities	183 362	807 430	-	990 792	-	7 335	7 335	8 796	8 796	1 006 923	
Loans and advances to banks	286 027	19 435	-	305 462	-	-	-	-	-	305 462	
Cash equivalents	22 010	1 106	-	23 116	-	-	-	-	-	23 116	
Debtors and other assets	-	-	628	628	-	-	-	8 871	8 871	9 499	
Commitments to Third Parties	-	45 000	-	45 000	-	-	-	-	-	45 000	
Total	581 767	1 632 593	628	2 214 988	-	32 607	32 607	54 929	54 929	2 302 524	

(thousand euros)

Asset Type	31.12.2025										
	Stage 1			Total Stage 1	Stage 2		Total Stage 2	Stage 3 and POCI		Total Stage 3	Total
	Low to Fair risk [aaa+;a-]	Monitoring [bbb+;b-]	Not rated		Monitoring [bbb+;b-]	Substandard [ccc+;ccc]		Impaired			
Loans and advances to customers	63 926	634 343	-	698 269	-	19 240	19 240	27 547	27 547	745 056	
Loan commitments	2 100	52 857	-	54 957	-	-	-	360	360	55 317	
Guarantees	29 377	57 114	-	86 491	-	-	-	11 446	11 446	97 937	
Securities	86 021	782 205	-	868 226	-	13 863	13 863	7 888	7 888	889 977	
Loans and advances to banks	616 911	34 805	-	651 716	-	-	-	-	-	651 716	
Cash equivalents	22 094	2 325	-	24 419	-	-	-	110	110	24 529	
Debtors and other assets	-	-	226	226	-	-	-	8 862	8 862	9 088	
Commitments to Third Parties	-	35 000	-	35 000	-	-	-	-	-	35 000	
Total	820 429	1 598 649	226	2 419 304	-	33 103	33 103	56 213	56 213	2 508 620	

The rating distribution presented above is based on the internal rating methodology of the Bank. As of June 30, 2026, and December 31, 2025, the majority of non-rated exposures relates to other debtors' transactions.

The table below compiles all financial instruments at amortized cost by industry, stage and days of delay as of June 30, 2026, and December 31, 2025:

(thousand euros)

30.06.2026																						
Financial instruments at Amortised cost (including financial guarantees) by industry, stage and past due status	Stage 1						Total Stage 1		Stage 2		Total Stage 2		Stage 3 and POCI						Total Stage 3 and POCI		Total	
	No overdue		1 - 29 days		30 - 89 days				No overdue				No overdue		90 - 180 days		More than 181 days(1)					
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
Agribusiness & Commodity Foods	49 374	121	-	-	-	-	49 374	121	-	-	-	-	-	-	-	-	-	-	-	-	49 374	121
Automobiles & Components	2 267	2	-	-	-	-	2 267	2	-	-	-	-	-	-	-	-	-	-	-	-	2 267	2
Banks	327 541	5	-	-	4	-	327 545	5	-	-	-	-	-	-	4	-	-	-	4	-	327 549	5
Broker Dealers	192	1	-	-	-	-	192	1	-	-	-	-	-	-	-	-	-	-	-	-	192	1
Building Materials	15 037	8	-	-	-	-	15 037	8	-	-	-	-	-	-	-	-	194	186	194	186	15 231	194
Capital Goods	56 803	42	-	-	-	-	56 803	42	-	-	-	-	-	-	-	-	-	-	-	-	56 803	42
Chemicals	29 787	174	-	-	-	-	29 787	174	2 533	91	2 533	91	10 662	6 654	-	-	16 090	11 627	26 752	18 281	59 072	18 546
Commercial & Professional Services	9 344	39	-	-	-	-	9 344	39	-	-	-	-	3 866	1 596	5	5	-	-	3 871	1 601	13 215	1 640
Construction & Engineering	130 940	100	1	-	1	-	130 942	100	-	-	-	-	-	-	5	1	-	-	5	1	130 947	101
Consumer Durables & Apparel	28 557	216	-	-	-	-	28 557	216	-	-	-	-	1 955	102	-	-	-	-	1 955	102	30 512	318
Food, Beverage & Tobacco	35 126	120	-	-	-	-	35 126	120	-	-	-	-	-	-	-	-	-	-	-	-	35 126	120
Funds & Asset Managers	432	-	-	-	-	-	432	-	-	-	-	-	-	-	-	-	-	-	-	-	432	-
Governments	414 209	240	-	-	-	-	414 209	240	-	-	-	-	-	-	-	-	-	-	-	-	414 209	240
Health Care	31 999	99	-	-	-	-	31 999	99	-	-	-	-	-	-	-	-	-	-	-	-	31 999	99
Household & Personal Products	25 171	36	-	-	-	-	25 171	36	-	-	-	-	-	-	-	-	-	-	-	-	25 171	36
Investment Holdings	13 843	19	-	-	-	-	13 843	19	-	-	-	-	-	-	-	-	-	-	-	-	13 843	19
Media & Entertainment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Metals & Mining	56 829	72	-	-	-	-	56 829	72	4 373	95	4 373	95	-	-	-	-	-	-	-	-	61 202	167
Non Bank Financial Institutions	96 861	371	-	-	-	-	96 861	371	-	-	-	-	-	-	-	-	-	-	-	-	96 861	371
Oil & Gas	115 390	84	-	-	-	-	115 390	84	-	-	-	-	-	-	-	-	-	-	-	-	115 390	84
Paper & Forest Products	26 865	17	-	-	-	-	26 865	17	-	-	-	-	-	-	-	-	-	-	-	-	26 865	17
Power	101 397	134	-	-	-	-	101 397	134	-	-	-	-	-	-	-	-	-	-	-	-	101 397	134
Real estate	71 926	241	-	-	-	-	71 926	241	13 705	278	13 705	278	-	-	-	-	-	-	-	-	85 631	519
Rental & Leasing	8 884	6	-	-	-	-	8 884	6	11 566	162	11 566	162	-	-	-	-	-	-	-	-	20 450	168
Retailing	16 475	47	-	-	-	-	16 475	47	-	-	-	-	-	-	-	-	-	-	-	-	16 475	47
Telecoms	71 013	124	-	-	-	-	71 013	124	-	-	-	-	8 371	2 402	-	-	-	-	8 371	2 402	79 384	2 526
Transportation	16 248	39	-	-	-	-	16 248	39	-	-	-	-	-	-	-	-	-	-	-	-	16 248	39
Transportation Infrastructure	85 645	93	-	-	-	-	85 645	93	-	-	-	-	1 203	415	-	-	7 885	4 113	9 088	4 528	94 733	4 621
Water Utilities	18 861	148	-	-	-	-	18 861	148	-	-	-	-	-	-	-	-	-	-	-	-	18 861	148
Others	3 537	11	3	-	109	1	3 649	12	-	-	-	-	-	-	9	1	146	127	155	128	3 804	140
Total	1 860 553	2 609	4	-	114	1	1 860 671	2 610	32 177	626	32 177	626	26 057	11 169	23	7	24 315	16 053	50 395	27 229	1 943 243	30 465

(1) Resulting from the specific characteristics of the Receivables portfolio, a simplified approach based on the days past due (and therefore standardized in Stage 1) is applied.

(thousand euros)

31.12.2025																								
Financial instruments at Amortised cost (including financial guarantees) by industry, stage and past due status	Stage 1					Total Stage 1		Stage 2		Total Stage 2		Stage 3 and POCI								Total Stage 3 and POCI		Total		
	No overdue		1 - 29 days		30 - 89 days			No overdue				No overdue		30 - 89 days		90 - 180 days		More than 181 days(1)						
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	
Agribusiness & Commodity Foods	17 255	81	-	-	-	17 255	81	3 667	71	3 667	71	-	-	-	-	-	-	-	-	-	-	-	20 922	152
Automobiles & Components	11 769	12	-	-	-	11 769	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11 769	12
Banks	675 148	6	-	-	-	675 148	6	-	-	-	-	110	28	-	-	-	-	-	-	110	28	675 258	34	
Broker Dealers	176	1	-	-	-	176	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	176	1	
Building Materials	27 247	54	10	-	-	27 257	54	-	-	-	-	-	-	-	-	-	-	186	186	186	186	27 443	240	
Capital Goods	66 780	52	-	-	-	66 780	52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	66 780	52	
Chemicals	37 822	103	-	-	-	37 822	103	-	-	-	-	9 756	5 449	15 449	10 400	-	-	571	571	25 776	16 420	63 598	16 523	
Commercial & Professional Services	4 617	38	-	-	-	4 617	38	-	-	-	-	3 940	1 411	-	-	5	5	-	-	3 945	1 416	8 562	1 454	
Construction & Engineering	128 272	157	-	-	-	128 272	157	-	-	-	-	-	-	-	-	-	-	-	-	-	-	128 272	157	
Consumer Durables & Apparel	28 246	215	-	-	-	28 246	215	-	-	-	-	1 800	78	-	-	-	-	-	-	1 800	78	30 046	293	
Food, Beverage & Tobacco	34 258	118	-	-	-	34 258	118	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34 258	118	
Funds & Asset Managers	416	-	-	-	-	416	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416	-	
Governments	334 434	409	-	-	-	334 434	409	-	-	-	-	-	-	-	-	-	-	-	-	-	-	334 434	409	
Health Care	30 518	87	-	-	-	30 518	87	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30 518	87	
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48	5	-	-	48	5	48	5	
Investment Holdings	13 449	19	-	-	-	13 449	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13 449	19	
Metals & Mining	39 480	76	-	-	-	39 480	76	3 993	49	3 993	49	-	-	-	-	-	-	-	-	-	-	43 473	125	
Non Bank Financial Institutions	88 085	358	-	-	-	88 085	358	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88 085	358	
Oil & Gas	126 015	100	-	-	-	126 015	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	126 015	100	
Paper & Forest Products	23 950	15	-	-	-	23 950	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23 950	15	
Power	110 006	446	-	-	-	110 006	446	-	-	-	-	-	-	-	-	-	-	-	-	-	-	110 006	446	
Real estate	70 826	180	16	-	-	70 842	180	3 754	278	3 754	278	-	-	-	-	-	-	-	-	-	-	74 596	458	
Rental & Leasing	-	-	-	-	-	-	-	11 819	352	11 819	352	-	-	-	-	-	-	-	-	-	-	11 819	352	
Retailing	11 376	45	-	-	-	11 376	45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11 376	45	
Telecoms	103 797	391	3	3	-	103 800	394	-	-	-	-	11 149	2 693	-	-	-	-	11	11	11 160	2 704	114 960	3 098	
Transportation	15 787	37	-	-	-	15 787	37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15 787	37	
Transportation Infrastructure	90 337	97	7	-	3	90 347	97	-	-	-	-	1 146	411	-	-	-	-	7 885	3 890	9 031	4 301	99 378	4 398	
Water Utilities	24 663	65	-	-	-	24 663	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24 663	65	
Others	34	-	78	2	3	115	3	-	-	-	-	-	-	-	-	4	-	152	124	156	124	271	127	
Total	2 114 763	3 162	114	5	6	2 114 883	3 168	23 233	750	23 233	750	27 901	10 070	15 449	10 400	57	10	8 805	4 782	52 212	25 262	2 190 328	29 180	

(1) Resulting from the specific characteristics of the Receivables portfolio, a simplified approach based on the days past due (and therefore standardized in Stage 1) is applied.

The following section presents the gross exposure categorized by asset type, impairment stage, and internal rating bucket.

Loans and advances to customers

The table below presents a summary of the portfolio of loans and advances to customers of Haitong Bank Group, as of June 30, 2026, and December 31, 2025:

(thousand euros)

Loans and advances to customers		30.06.2026				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Low to fair risk	[aaa+;a-]	60 480	-	-	-	60 480
Monitoring	[bbb+;b-]	645 416	23 984	-	-	669 400
Impaired	[d]	-	-	17 771	10 323	28 094
Gross carrying amount		705 896	23 984	17 771	10 323	757 974
Loss allowance (Note 31)		1 826	440	11 446	6 201	19 913
Carrying amount		704 070	23 544	6 325	4 122	738 061
Fair Value Through Profit and Loss						
Impaired	[d]	-	-	24	-	24
Gross carrying amount		-	-	24	-	24
Carrying amount		-	-	24	-	24
Total gross carrying amount		705 896	23 984	17 795	10 323	757 998
Loss allowance (Note 31)		1 826	440	11 446	6 201	19 913
Total Carrying amount		704 070	23 544	6 349	4 122	738 085

(thousand euros)

Loans and advances to customers		31.12.2025				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Low to fair risk	[aaa+;a-]	63 926	-	-	-	63 926
Monitoring	[bbb+;b-]	634 343	19 240	-	-	653 583
Impaired	[d]	-	-	17 850	9 673	27 523
Gross carrying amount		698 269	19 240	17 850	9 673	745 032
Loss allowance (Note 31)		1 929	701	10 842	5 000	18 472
Carrying amount		696 340	18 539	7 008	4 673	726 560
Fair Value Through Profit and Loss						
Impaired	[d]	-	-	24	-	24
Gross carrying amount		-	-	24	-	24
Revaluation		-	-	1	-	1
Carrying amount		-	-	25	-	25
Total gross carrying amount		698 269	19 240	17 874	9 673	745 056
Loss allowance (Note 31)		1 929	701	10 842	5 000	18 472
Revaluation		-	-	1	-	1
Total Carrying amount		696 340	18 539	7 033	4 673	726 585

Loan commitments

The table below presents a summary of the portfolio of loans commitments of Haitong Bank Group, as of June 30, 2026, and December 31, 2025:

(thousand euros)

Loan commitments		30.06.2026				
		Stage 1	Stage 2	Stage 3	POCI	Total
Low to fair risk	[aaa+;a-]	2 100	-	-	-	2 100
Monitoring	[bbb+;b-]	65 020	1 288	-	-	66 308
Impaired	[d]	-	-	514	-	514
Total gross carrying amount		67 120	1 288	514	-	68 922
Loss allowance (Note 31)		41	-	13	-	54
Total Carrying amount		67 079	1 288	501	-	68 868

(thousand euros)

Loan commitments		31.12.2025				
		Stage 1	Stage 2	Stage 3	POCI	Total
Low to fair risk	[aaa+;a-]	2 100	-	-	-	2 100
Monitoring	[bbb+;b-]	52 857	-	-	-	52 857
Impaired	[d]	-	-	360	-	360
Total gross carrying amount		54 957	-	360	-	55 317
Loss allowance (Note 31)		37	-	9	-	46
Total Carrying amount		54 920	-	351	-	55 271

Guarantees

The table below presents a summary of the portfolio of guarantees granted to clients of Haitong Bank Group, as of June 30, 2026, and December 31, 2025:

(thousand euros)

Guarantees		30.06.2026				
		Stage 1	Stage 2	Stage 3	POCI	Total
Low to fair risk	[aaa+;a-]	27 788	-	-	-	27 788
Monitoring	[bbb+;b-]	49 186	-	-	-	49 186
Impaired	[d]	-	-	8 630	-	8 630
Total gross carrying amount		76 974	-	8 630	-	85 604
Loss allowance (Note 31)		40	-	2 469	-	2 509
Total Carrying amount		76 934	-	6 161	-	83 095

(thousand euros)

Guarantees		31.12.2025				
		Stage 1	Stage 2	Stage 3	POCI	Total
Low to fair risk	[aaa+;a-]	29 378	-	-	-	29 378
Monitoring	[bbb+;b-]	57 113	-	-	-	57 113
Substandard	[ccc+;ccc]	-	-	-	-	9 606
Impaired	[d]	-	-	11 446	-	11 446
Total gross carrying amount		86 491	-	11 446	-	97 937
Loss allowance (Note 31)		75	-	2 724	-	2 799
Total Carrying amount		86 416	-	8 722	-	95 138

Debt securities

The table below presents a summary of the portfolio of debt securities at amortised cost, fair value through other comprehensive income and fair value through profit and loss of Haitong Bank Group, as of June 30, 2026, and December 31, 2025:

(thousand euros)

FVOCI and Amortised cost debt Securities		30.06.2026				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Low to fair risk	[aaa+;a-]	147 341	-	-	-	147 341
Monitoring	[bbb+;b-]	489 134	6 905	-	-	496 039
Impaired	[d]	-	-	4 286	-	4 286
Gross amount		636 475	6 905	4 286	-	647 666
Loss allowance (Note 31)		632	186	2 044	-	2 862
Fair value hedge		(844)	-	-	-	(844)
Carrying amount		634 999	6 719	2 242	-	643 960
Fair Value through Other Comprehensive Income						
Low to fair risk	[aaa+;a-]	36 021	-	-	-	36 021
Monitoring	[bbb+;b-]	318 296	430	-	-	318 726
Impaired	[d]	-	-	-	3 544	3 544
Gross amount		354 317	430	-	3 544	358 291
Loss allowance (Note 31)		573	9	-	86	668
Revaluation		(2 495)	(30)	-	6	(2 519)
Fair value hedge		78	-	-	-	78
Carrying amount		351 327	391	-	3 464	355 182
Fair Value Through Profit and Loss						
Impaired	[d]	-	-	-	966	966
Gross amount		-	-	-	966	966
Carrying amount		-	-	-	966	966
Total gross carrying amount		990 792	7 335	4 286	4 510	1 006 923
Loss allowance (Note 31)		1 205	195	2 044	86	3 530
Revaluation		(2 495)	(30)	-	6	(2 519)
Fair value hedge		(766)	-	-	-	(766)
Total Carrying amount		986 326	7 110	2 242	4 430	1 000 108

(thousand euros)

FVOCI and Amortised cost debt Securities		31.12.2025				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Low to fair risk	[aaa+;a-]	61 355	-	-	-	61 355
Monitoring	[bbb+;b-]	502 450	3 993	-	-	506 443
Impaired	[d]	-	-	3 911	-	3 911
Gross amount		563 805	3 993	3 911	-	571 709
Loss allowance (Note 31)		1 014	49	1 866	-	2 929
Fair value hedge		(712)	-	-	-	(712)
Carrying amount		562 079	3 944	2 045	-	568 068
Fair Value through Other Comprehensive Income						
Low to fair risk	[aaa+;a-]	24 665	-	-	-	24 665
Monitoring	[bbb+;b-]	279 756	9 870	-	-	289 626
Impaired	[d]	-	-	-	3 091	3 091
Gross carrying amount		304 421	9 870	-	3 091	317 382
Loss allowance		655	21	-	121	797
Revaluation		(2 010)	(174)	-	49	(2 135)
Fair value hedge		477	-	-	-	477
Carrying amount		302 233	9 675	-	3 019	314 927
Total gross carrying amount						
Impaired	[d]	-	-	-	886	886
Gross amount		-	-	-	886	886
Carrying amount		-	-	-	886	886
Total gross carrying amount		868 226	13 863	3 911	3 977	889 977
Loss allowance (Note 31)		1 669	70	1 866	121	3 726
Revaluation		(2 010)	(174)	-	49	(2 135)
Fair value hedge		(235)	-	-	-	(235)
Total Carrying amount		864 312	13 619	2 045	3 905	883 881

Cash equivalents

The table below presents a summary of the cash equivalents portfolio of Haitong Bank Group, as of June 30, 2026, and December 31, 2025:

(thousand euros)

Cash equivalents		30.06.2026				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Low to fair risk	[aaa+;a-]	22 010	-	-	-	22 010
Monitoring	[bbb+;b-]	1 106	-	-	-	1 106
Total gross carrying amount		23 116	-	-	-	23 116
Total Carrying amount		23 116	-	-	-	23 116

(thousand euros)

Cash equivalents		31.12.2025				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Low to fair risk	[aaa+;a-]	22 093	-	-	-	22 093
Monitoring	[bbb+;b-]	2 326	-	-	-	2 326
Impaired	[d]	-	-	110	-	110
Not rated						284
Total gross carrying amount		24 419	-	110	-	24 529
Loss allowance (Note 31)		-	-	28	-	28
Total Carrying amount		24 419	-	82	-	24 501

Loans and advances to banks

The table below presents a summary of the portfolio of loans and advances to banks of Haitong Bank Group, as of June 30, 2026, and December 31, 2025:

(thousand euros)

Loans and advances to banks		30.06.2026				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Low to fair risk	[aaa+;a-]	286 027	-	-	-	286 027
Monitoring	[bbb+;b-]	19 435	-	-	-	19 435
Total gross carrying amount		305 462	-	-	-	305 462
Loss allowance (Note 31)		5	-	-	-	5
Total Carrying amount		305 457	-	-	-	305 457

(thousand euros)

Loans and advances to banks		31.12.2025				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Low to fair risk	[aaa+;a-]	616 910	-	-	-	616 910
Monitoring	[bbb+;b-]	34 806	-	-	-	34 806
Total gross carrying amount		651 716	-	-	-	651 716
Loss allowance (Note 31)		3	-	-	-	3
Total Carrying amount		651 713	-	-	-	651 713

Debtors and other assets

The table below presents a summary of the portfolio of debtors and other assets portfolio of Haitong Bank Group, as of June 30, 2026, and December 31, 2025:

(thousand euros)

Debtors and other assets		30.06.2026				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Impaired	[d]		-	-	7 885	7 885
Not rated		628	-	986	-	1 614
Total gross carrying amount		628	-	986	7 885	9 499
Loss allowance (Note 31)		6	-	943	4 113	5 062
Total Carrying amount		622	-	43	3 772	4 437

(thousand euros)

Debtors and other assets		31.12.2025				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Impaired	[d]		-	-	7 885	7 885
Not rated		226	-	977	-	1 203
Total gross carrying amount		226	-	977	7 885	9 088
Loss allowance (Note 31)		62	-	903	3 890	4 855
Total Carrying amount		164	-	74	3 995	4 233

Commitments to Third Parties

The table below presents a summary of the portfolio of debtors and other assets portfolio of Haitong Bank Group, as of June 30, 2026, and December 31, 2025:

(thousand euros)

Commitments to Third Parties		30.06.2026				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Monitoring	[bbb+;b-]	45 000	-	-	-	45 000
Total gross carrying amount		45 000	-	-	-	45 000
Loss allowance (Note 31)		60	-	-	-	60
Total Carrying amount		44 940	-	-	-	44 940

(thousand euros)

Commitments to Third Parties	31.12.2025				
	Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost					
Monitoring [bbb+;b-]	35 000	-	-	-	35 000
Total gross carrying amount	35 000	-	-	-	35 000
Loss allowance (Note 31)	48	-	-	-	48
Total Carrying amount	34 952	-	-	-	34 952

Stage movement

During the first half of 2026, and 2025, the following moves occurred:

(thousand euros)

	Of which:			Total
	Stage 1	Stage 2	Stage 3	
Balance on 31 December 2025	2 417 059	32 929	56 263	2 506 251
Exposure increases/decreases	(138 682)	(3 292)	(1 233)	(143 207)
Transfers:				
from stage 1	(11 196)	11 196	-	-
from stage 2	3 222	(3 222)	-	-
from stage 3	-	-	-	-
Write-off	-	-	(95)	(95)
Sales	(58 676)	(5 035)	-	(63 710)
Balance on 30 June 2026	2 211 727	32 577	54 935	2 299 239

(thousand euros)

	Of which:			Total
	Stage 1	Stage 2	Stage 3	
Balance on 31 December 2024	2 404 867	44 884	30 603	2 480 354
Exposure increases/decreases	198 449	(2 087)	(4 227)	192 135
Transfers:				
from stage 1	(20 641)	16 730	3 911	-
from stage 2	-	(26 598)	26 598	-
from stage 3	-	-	-	-
Write-off	-	-	(622)	(622)
Sales	(165 616)	-	-	(165 616)
Balance on 31 December 2025	2 417 059	32 929	56 263	2 506 251

During the first semester of 2026, two exposures totalling 11 196 thousand euros were transferred from Stage 1 to Stage 2, and an exposure totalling 3 222 thousand euros was transferred from Stage 2 to Stage 1.

The use of credit protection is a key element of the risk policy and credit decision process, influencing the acceptance criteria, the decision levels, and the pricing.

The main risk mitigation techniques used by the Group are financial pledges (funded credit protection – financial collateral in the form of securities and cash) and personal guarantees (unfunded credit protection with substitution effect).

Haitong Bank Group follows the prescription of CRR in what concerns collateral haircuts for impairment calculation. Thus, instead of using the collateral value, the Group considers the collateral value after the haircut application.

Frequency and methods of collateral valuation depend on the nature of the collateral. For listed equity securities and debt securities, valuation occurs on a daily basis using market prices.

As approved by the Executive Committee during 2024, the pledge of bank accounts valuation update takes place on a semi-annual basis, after the reference dates 30/6 and 31/12 or whenever there is a significant change that implies the update of the values, according to the information provided by the depositary bank.

Regarding pledges over non-listed equity securities, pledges over equipment and mortgage valuation, it is done at least on an annual basis and it is based on financial information of the borrower or on valuation reports of external entities (e.g. real estate).

As of June 30, 2026, the number of financial instruments with no losses identified, due to credit risk's mitigation techniques (i.e. whenever the exposure at default net of collateral is equal to zero), was 12 084 thousand euros (December 31, 2025: 18 798 thousand euros).

The table below disaggregates the financial instrument and financial guarantees' gross exposure, and exposure at default (EAD) separately for each stage and POCI.

(thousand euros)

30.06.2026									
Rating bucket		Stage 1		Stage 2		Stage 3		POCI	
		Gross Exposure	EAD	Gross Exposure	EAD	Gross Exposure	EAD	Gross Exposure	EAD
Low to fair risk	[aaa+;a-]	581 767	575 450	-	-	-	-	-	-
Monitoring	[bbb+;b-]	1 632 591	1 475 829	32 607	22 656	-	-	-	-
Impaired	[d]	-	-	-	-	31 226	27 507	22 718	22 721
Not rated		630	628	-	-	985	984	-	-
Total		2 214 988	2 051 907	32 607	22 656	32 211	28 491	22 718	22 721

(thousand euros)

31.12.2025									
Rating bucket		Stage 1		Stage 2		Stage 3		POCI	
		Gross Exposure	EAD	Gross Exposure	EAD	Gross Exposure	EAD	Gross Exposure	EAD
Low to fair risk	[aaa+;a-]	820 428	802 515	-	-	-	-	-	-
Monitoring	[bbb+;b-]	1 598 649	1 438 351	33 103	33 103	-	-	-	-
Substandard	[ccc+;ccc]	-	-	-	-	-	-	-	-
Impaired	[d]	-	-	-	-	33 702	33 317	21 535	21 534
Not rated		226	226	-	-	977	976	-	-
Total		2 419 303	2 241 092	33 103	33 103	34 679	34 293	21 535	21 534

Breakdown of Non-Performing and Forborne Exposures

The Group discloses the non-performing exposures and the forborne exposures in accordance with the definitions set out in Annex V to Commission Implementing Regulation (EU) 2018/1627 of 8 October 2018, amending Implementing Regulation (EU) No 680/2014 as regards prudent valuation for supervisory reporting.

The definitions of non-performing and forborne exposures are provided under section 2.4.1.

In this sense, as of June 30, 2026, and December 31, 2025, the breakdown of performing and non-performing exposures was as follows:

	30.06.2026			31.12.2025		
	Gross amount and revaluations (1)	Impairment, Negative revaluations and Provisions	Coverage	Gross amount and revaluations (1)	Impairment, Negative revaluations and Provisions	Coverage
Performing exposures	2 244 307	3 817	0.2%	2 450 027	4 594	0.2%
Banking Book Debt Securities	994 838	1 400	0.1%	879 709	1 739	0.2%
Loans and advances to customers	729 880	2 266	0.3%	717 509	2 630	0.4%
Loans and advances to banks	305 462	5	0.0%	651 716	3	0.0%
Cash & Cash Equivalents	23 116	-	0.0%	24 419	-	0.0%
Guarantees	76 974	40	0.1%	86 491	75	0.1%
Loan commitments	68 409	40	0.1%	54 957	37	0.1%
Other commitments	45 000	60	0.1%	35 000	48	0.1%
Receivables	628	6	1.0%	226	62	27.4%
Non-Performing exposures (NPE)	54 932	27 315	49.7%	56 263	25 383	45.1%
Banking Book Debt Securities	8 800	2 130	24.2%	7 937	1 987	25.0%
Loans and advances to customers	28 118	17 647	62.8%	27 548	15 842	57.5%
Cash & Cash Equivalents	-	-	0.0%	110	28	25.5%
Guarantees	8 630	2 469	28.6%	11 446	2 724	23.8%
Loan commitments	513	13	2.5%	360	9	2.5%
Other assets	7 887	4 113	52.1%	7 885	3 890	49.3%
Receivables	984	943	95.8%	977	903	92.4%
Total	2 299 239	31 132	1.4%	2 506 290	29 977	1.2%
NPE ratio	2.4%			2.2%		
NPL ratio	3.7%			3.7%		

(1) Amortized cost, comprising accrued interest, discontinued hedges, adjustments for active hedges, and revaluation amounts of securities measured at fair value through other comprehensive income.

As of June 30, 2026, and December 31, 2025, the breakdown of performing and non-performing forborne exposures was as follows:

(thousand euros)

	30.06.2026			31.12.2025		
	Gross amount and revaluations (1)	Impairment, Negative revaluations and Provisions	Coverage	Gross amount and revaluations (1)	Impairment, Negative revaluations and Provisions	Coverage
Performing exposures	2 240 553	3 539	0.2%	2 442 567	4 245	0.2%
Performing Forborne exposures	3 754	278	7.4%	7 421	349	4.7%
Banking Book Debt Securities	-	-	0.0%	-	-	0.0%
Loans and advances to customers	3 754	278	7.4%	7 421	349	4.7%
Non-Performing Forborne exposures	33 121	17 746	53.6%	31 909	15 972	50.1%
Banking Book Debt Securities	4 514	86	1.9%	4 026	121	3.0%
Loans and advances to customers	28 094	17 647	62.8%	27 523	15 842	57.6%
Loan commitments	513	13	2.5%	360	9	2.5%
Non-Performing exposures	21 811	9 569	43.9%	24 354	9 411	38.6%
Banking Book Debt Securities	4 286	2 044	47.7%	3 911	1 866	47.7%
Loans and advances to customers	24	-	0.0%	25	-	0.0%
Cash & Cash Equivalents	-	-	0.0%	110	28	25.5%
Guarantees	8 630	2 469	28.6%	11 446	2 724	23.8%
Other assets	7 887	4 113	52.1%	7 885	3 890	49.3%
Receivables	984	943	95.8%	977	903	92.4%
Total	2,299,239	31,132	1.4%	2,506,251	29,977	1.2%

(1) Amortized cost, comprising accrued interest, discontinued hedges, adjustments for active hedges, and revaluation amounts of securities measured at fair value through other comprehensive income.

The tables below present the type of forbearance measures applied, detailing the number of deals, gross amount and revaluations, and loss allowance across different stages as of June 30, 2026, and December 31, 2025.

(thousand euros)

Forbearance Measure	30.06.2026											
	Stage 2			Stage 3			POCI			Total		
	No. of Deals	Gross Exposure	Loss Allowance	No. of Deals	Gross Exposure	Loss Allowance	No. of Deals	Gross Exposure	Loss Allowance	No. of Deals	Gross Exposure	Loss Allowance
Maturity Extension	1	3 754	278	-	-	-	-	-	-	1	3 754	278
Rescheduled Payments	-	-	-	1	15 467	11 004	-	-	-	1	15 467	11 004
Other Forbearance	-	-	-	2	2 812	455	4	14 842	6 287	6	17 660	6 742
Total	1	3 754	278	3	18 279	11 459	4	14 842	6 287	8	36 881	18 024

(thousand euros)

Forbearance Measure	31.12.2025											
	Stage 2			Stage 3			POCI			Total		
	No. of Deals	Gross Exposure	Loss Allowance	No. of Deals	Gross Exposure	Loss Allowance	No. of Deals	Gross Exposure	Loss Allowance	No. of Deals	Gross Exposure	Loss Allowance
Maturity Extension	1	3 754	278	-	-	-	-	-	-	1	3 754	278
Rescheduled Payments	-	-	-	1	15 450	10 400	-	-	-	1	15 449	10 400
Other Forbearance	1	3 667	71	2	2 762	451	4	13 699	5 121	7	20 127	5 643
Total	2	7 421	349	3	18 212	10 851	4	13 699	5 121	9	39 330	16 321

During the first half of 2026, and 2025, the following movements in forborne exposures, by gross amount and revaluations, occurred:

	(thousand euros)	
	30.06.2026	31.12.2025
Initial Balance	39 329	36 323
Forborne exposures during the period	-	5 845
Derecognition	(3 667)	-
Repayments	-	(3 029)
Others	1 213	191
Final Balance	36 875	39 330

Concentration risk

Concerning the concentration risk - that is, the risk arising from the possibility of exposure or from a group of exposures sharing common or interrelated risk factors that produce losses large enough to affect the Group's solvency - Haitong Bank has internal limits established for the largest single-name exposures. Regular monitoring of these limits, together with regulatory limits, strengthens the Group's monitoring framework for the concentration of credit risk.

The breakdown of loans and advances to customers, financial assets held for trading and securities, by sector of activity, as of June 30, 2026, and December 31, 2025, is as follows:

(thousand euros)

Industry	30.06.2026								
	Loans and advances to customers				Financial assets held-for-trading			Securities (1)	
	Gross amount		Impairment		Revaluation	Securities	Derivative financial assets	Gross amount	Impairment
	Outstanding loans	Overdue loans	Outstanding loans	Overdue loans	Overdue loans				
Agribusiness & Commodity Foods	49 374	-	121	-	-	-	-	-	-
Automobiles & Components	-	-	-	-	-	1 827	-	11 549	27
Banks	-	-	-	-	-	9 251	4 826	32 927	18
Broker Dealers	-	-	-	-	-	-	-	192	1
Building Materials	15 037	-	8	-	-	1 130	-	-	-
Capital Goods	24 806	-	32	-	-	-	-	-	-
Chemicals	24 810	16 668	3 915	11 868	-	-	-	16 974	2 139
Commercial & Professional Services	3 094	-	1 516	-	-	1 155	-	29 658	58
Construction & Engineering	-	24	-	-	-	1 201	-	25 216	26
Consumer Durables & Apparel	20 013	-	269	-	-	-	-	25 906	88
Food, Beverage & Tobacco	31 972	-	113	-	-	-	-	7 151	9
Funds & Asset Managers	-	-	-	-	-	3 534	1	11 141	-
Governments	-	-	-	-	-	880 749	-	513 292	374
Health Care	13 990	-	64	-	-	-	-	32 040	71
Hotels & Gaming	-	-	-	-	-	857	-	8 979	42
Household & Personal Products	25 171	-	36	-	-	-	-	-	-
Investment Holdings	-	-	-	-	-	2 513	-	13 591	19
Media & Entertainment	-	-	-	-	-	173	-	-	-
Metals & Mining	56 829	-	72	-	-	520	-	26 326	235
Non Bank Financial Institutions	83 101	-	358	-	-	6 567	150	35 893	29
Oil & Gas	107 257	-	78	-	-	-	-	18 493	16
Paper & Forest Products	4 289	-	4	-	-	-	718	2 576	3
Pharmaceuticals	-	-	-	-	-	-	-	851	4
Power	79 852	-	109	-	-	1 057	-	23 953	104
Real estate	63 902	-	473	-	-	430	-	74 610	89
Rental & Leasing	11 567	-	162	-	-	-	-	8 884	6
Retailing	9 954	-	23	-	-	-	-	15 366	36
Technology Hardware & Equipment	-	-	-	-	-	849	-	9 354	9
Telecoms	37 185	-	90	-	-	-	3 566	27 371	28
Transportation	-	-	-	-	-	2 290	-	22 499	45
Transportation Infrastructure	70 312	-	475	-	-	1 010	9 200	14 435	33
Water Utilities	8 791	-	127	-	-	2 878	-	10 069	21
TOTAL	741 306	16 692	8 045	11 868	-	917 991	18 461	1 019 296	3 530

(1) Including: A) Financial assets measured at amortised cost; B) Financial assets at fair value through other comprehensive income; C) Non-trading financial assets mandatorily at fair value through profit or loss.

(thousand euros)

Industry	31.12.2025								
	Loans and advances to customers				Financial assets held-for-trading			Securities (1)	
	Gross amount		Impairment		Revaluation	Securities	Derivative financial assets	Gross amount	Impairment
	Outstanding loans	Overdue loans	Outstanding loans	Overdue loans	Overdue loans				
Agribusiness & Commodity Foods	20 922	-	152	-	-	1 301	-	-	-
Agricultural Cooperatives	-	-	-	-	-	2 895	-	21 301	38
Automobiles & Components	-	-	-	-	-	11 568	982	26 912	14
Banks	-	-	-	-	-	-	-	176	1
Broker Dealers	27 247	-	54	-	-	2 049	-	-	-
Building Materials	26 014	-	34	-	-	-	-	7 631	8
Capital Goods	39 998	1 134	13 284	747	-	1 670	-	25 026	1 948
Chemicals	3 283	-	1 370	-	-	430	-	4 617	38
Commercial & Professional Services	6 020	25	28	-	-	153	-	38 257	67
Construction & Engineering	19 838	-	245	-	-	875	-	15 369	71
Containers & Packaging	31 373	-	112	-	-	-	-	17 903	16
Food, Beverage & Tobacco	-	-	-	-	-	6 226	-	10 911	-
Funds & Asset Managers	-	-	-	-	-	819 958	-	409 038	551
Governments	13 501	-	60	-	-	75	-	31 160	65
Health Care	-	-	-	-	-	-	-	8 874	41
Insurance	-	-	-	-	-	-	-	13 449	19
Media & Entertainment	-	-	-	-	-	-	-	-	-
Metals & Mining	32 986	-	44	-	-	913	-	25 529	213
Non Bank Financial Institutions	83 073	-	358	-	-	5 574	188	24 917	18
Oil & Gas	114 325	-	88	-	-	1 764	-	30 177	28
Paper & Forest Products	1 326	-	1	-	-	-	-	2 624	3
Power	-	-	-	-	-	-	-	-	-
Real estate	85 766	-	250	-	-	644	-	25 708	358
Rental & Leasing	53 618	-	441	-	-	1 922	-	69 910	66
Retailing	11 820	-	352	-	-	-	-	-	-
Software	5 009	-	23	-	-	1 626	-	15 116	34
Telecoms	-	-	-	-	-	491	-	9 032	12
Transportation	83 943	-	313	-	-	1 871	5 282	16 689	15
Transportation Infrastructure	-	-	-	-	-	2 335	-	22 216	44
Water Utilities	75 308	-	476	-	-	951	10 912	14 076	33
Others	8 528	-	40	-	-	4 189	-	16 136	25
TOTAL	743 898	1 159	17 725	747	-	869 988	17 364	902 754	3 726

(1) Including: A) Financial assets measured at amortised cost; B) Financial assets at fair value through other comprehensive income; C) Non-trading financial assets mandatorily at fair value through profit or loss.

The breakdown of loans and advances to customers, financial assets held for trading and securities, by country risk, as of June 30, 2026, and December 31, 2025, is as follows:

(thousand euros)

Country	30.06.2026								
	Loans and advances to customers				Financial assets held-for-trading			Securities (1)	
	Gross amount		Impairment		Revaluation	Securities	Derivative financial assets	Gross amount	Impairment
	Outstanding loans	Overdue loans	Outstanding loans	Overdue loans	Overdue loans				
Australia	50 306	-	62	-	-	-	-	8 204	8
Austria	-	-	-	-	-	-	-	10 208	10
Belgium	20 368	-	49	-	-	-	-	-	-
Brazil	104 887	1 054	4 712	759	-	876 506	4 101	131 019	2 547
Bulgaria	-	-	-	-	-	-	-	6 132	9
Cyprus	-	-	-	-	-	-	-	8 797	3
Czech Republic	24 806	-	32	-	-	-	-	27 965	22
China	15 037	-	8	-	-	9 015	-	28 268	45
Denmark	-	-	-	-	-	-	-	3 660	4
Finland	-	-	-	-	-	-	-	2 576	3
France	20 022	-	49	-	-	191	6	104 505	59
Germany	19 632	-	170	-	-	428	301	18 572	23
Hong-Kong	-	-	-	-	-	2 561	-	21 229	16
Hungary	-	-	-	-	-	-	-	41 530	35
Iceland	-	-	-	-	-	505	-	1 507	1
Ireland	33 001	-	306	-	-	-	-	-	-
Italy	45 212	-	49	-	-	827	-	146 467	63
Japan	-	-	-	-	-	518	-	9 354	9
Korea (Republic Of)	-	-	-	-	-	3 598	-	-	-
Luxembourg	-	-	-	-	-	1 533	-	13 591	19
Macao	-	-	-	-	-	857	-	12 964	42
Mexico	17 552	-	11	-	-	-	-	26 328	17
Netherlands	41 809	-	178	-	-	1 008	-	6 251	6
Norway	-	-	-	-	-	-	-	12 218	6
Poland	42 038	15 638	100	11 109	-	404	-	52 320	78
Portugal	86 024	-	377	-	-	4 964	9 920	29 575	21
Romania	-	-	-	-	-	-	-	61 233	55
Singapore	-	-	-	-	-	496	-	-	-
Spain	70 219	-	1 780	-	-	6 706	417	109 716	126
Serbia	-	-	-	-	-	-	-	8 499	9
Switzerland	-	-	-	-	-	-	-	10 305	5
Turkey	50 099	-	51	-	-	-	-	-	-
United Kingdom	20 937	-	44	-	-	733	3 716	6 530	93
United States	63 458	-	44	-	-	6 705	-	75 218	181
Estonia	-	-	-	-	-	-	-	814	1
Peru	15 899	-	23	-	-	-	-	-	-
Philippines	-	-	-	-	-	-	-	8 825	4
TOTAL	741 306	16 692	8 045	11 868	-	917 991	18 461	1 019 296	3 530

(1) Including: A) Financial assets measured at amortised cost; B) Financial assets at fair value through other comprehensive income; C) Non-trading financial assets mandatorily at fair value through profit or loss.

(thousand euros)

Country	31.12.2025							
	Loans and advances to customers				Financial assets held-for-trading		Securities (1)	
	Gross amount		Impairment		Securities	Derivative financial assets	Gross amount	Impairment
	Outstanding loans	Overdue loans	Outstanding loans	Overdue loans				
Australia	27 319	-	38	-	-	-	-	-
Austria	-	-	-	-	-	-	10 451	11
Belgium	20 351	-	50	-	595	-	-	-
Brazil	102 393	269	4 211	165	819 482	204	246 684	2 580
Bulgaria	-	-	-	-	-	-	6 057	9
Colombia	-	-	-	-	-	-	8 775	19
Croatia	-	-	-	-	852	-	-	-
Cyprus	-	-	-	-	-	-	8 916	3
Denmark	-	-	-	-	-	-	3 531	4
Czech Republic	46 407	-	55	-	-	-	32 602	29
China	16 666	-	29	-	10 500	-	51 402	75
Finland	-	-	-	-	-	-	2 624	3
France	39 794	-	233	-	3 329	348	82 691	61
Germany	19 838	-	48	-	545	218	8 392	9
Greece	-	-	-	-	1 089	-	17 993	11
Hong-Kong	-	-	-	-	7 240	-	7 537	2
Hungary	-	-	-	-	-	-	46 916	40
Ireland	32 974	-	307	-	-	-	-	-
Italy	20 002	-	13	-	2 664	-	20 191	9
Japan	-	-	-	-	2 904	-	9 032	12
Korea (Republic Of)	-	-	-	-	3 650	-	-	-
Luxembourg	-	-	-	-	1 607	-	19 373	19
Macao	-	-	-	-	-	-	13 345	41
Mexico	17 015	-	11	-	-	-	20 238	13
Netherlands	43 556	-	179	-	2 985	-	6 429	7
Norway	-	-	-	-	-	-	10 775	7
Poland	64 331	890	10 223	582	1 444	-	49 690	79
Portugal	98 614	-	528	-	4 386	10 912	46 646	269
Romania	-	-	-	-	503	-	54 972	52
Spain	54 132	-	1 662	-	5 160	211	58 692	186
Sweden	-	-	-	-	-	-	7 631	8
Taiwan	-	-	-	-	491	-	-	-
Turkey	50 099	-	52	-	-	-	-	-
UK	49 244	-	54	-	-	5 471	20 084	33
United States	25 503	-	11	-	562	-	31 085	135
Peru	15 660	-	21	-	-	-	-	-
TOTAL	743 898	1 159	17 725	747	869 988	17 364	902 754	3 726

(1) Including: A) Financial assets measured at amortised cost; B) Financial assets at fair value through other comprehensive income; C) Non-trading financial assets mandatorily at fair value through profit or loss.

Pension Fund Monitoring

Since June 2025, the management of the Pension Fund has been transferred from GNB Fundo de Pensões to Golden SGF, the entity responsible for ensuring the implementation and monitoring of the funds' investment strategy, while respecting the limits defined in the Investment Policy. Haitong Bank delegates to Mercer Portugal the responsibility to conduct an independent assessment of the actuarial assumptions, as well as for defining the methodology for actuarial valuation.

These entities also bear the responsibility to provide the requisite information to the various Bank's governing bodies, namely the Executive Committee, the Independent Monitoring Committee, and the Risk Committee, enabling them to effectively oversee the risk associated with the pension funds.

Pension Fund Risk

The Fund's asset portfolio is primarily comprised of stocks, bonds, and investment units (investment funds and ETFs). The risks inherent in the Fund's assets are specific to various types of investments (credit risk, market risk, liquidity risk, etc.). As for the Fund's liabilities, consisting of pension payment obligations, these entail several actuarial risks that could have a negative impact on the value of the Fund's liabilities: inflation rate, growth of wages and pensions, evolution of mortality tables, corresponding increase in life expectancy, and discount rate.

The Pension Fund Risk is integrated into the Bank's Risk Appetite Framework (RAF), being monitored on a monthly basis the asset, liabilities, and discount rate evolution. The Pension Fund Risk is quantified for internal capital purposes within the scope of Haitong Bank's ICAAP exercise.

Market risk

Market risk is defined as the possibility of occurrence of losses in on and off-balance sheet positions resulting from adverse movements in market prices, specifically, equity, interest rates, foreign exchange rates and credit spreads. In the development of its activities, Haitong Bank is exposed to market risk in both its trading and banking books.

The main mechanism to manage trading market risk is the application of the risk appetite policy, of which the limit framework is a key component. The Bank sets group-wide value-at-risk (VaR) limits for market risk in the trading book.

VaR is a quantitative measure of the potential loss of fair value positions due to market movements and it should not be exceeded in a defined period of time and with a defined confidence level. Haitong Bank estimates VaR by taking actual historical changes in the market variables over a one-year time interval, a ten-day time horizon and revalue every position for each market scenario considering a 99% confidence level.

(thousand euros)

	30.06.2026				31.12.2025			
	June	Average	Maximum	Minimum	December	Average	Maximum	Minimum
Foreign Exchange Risk	3 128	5 564	8 209	3 053	7 418	7 359	9 211	4 234
Interest Rate Risk	589	668	1 349	226	313	378	1 211	164
Shares	-	-	-	-	-	2	3	-
Credit spread	4 508	1 330	5 269	246	469	437	735	116
Covariance	(2 928)	(1 517)	(6 777)	(463)	(926)	(821)	(1 812)	(440)
Global VaR	5 297	6 045	8 050	3 062	7 274	7 355	9 349	4 074

Unaudited Information

The following table shows the average interest rates verified for the Bank's major categories of financial assets and liabilities, for the financial periods ended on June 30, 2026, and December 31, 2025, as well as the respective average balances and interest for the financial period:

(thousand euros)

	30.06.2026			31.12.2025		
	Average balance of the period	Interest of the period	Average interest rate	Average balance of the period	Interest of the period	Average interest rate
Monetary assets (1)	358 356	6 220	3.50%	545 608	25 630	4.70%
Loans and advances to customers	772 192	23 642	6.17%	775 016	51 009	6.58%
Investment in securities	1 813 732	81 401	9.05%	1 789 510	168 301	9.40%
Deposited collateral under clearing agreements	30 500	625	4.13%	27,409	972	3.55%
Financial assets	2 974 780	111 887	7.58%	3 137 543	245 913	7.84%
Resources of credit institutions	1 131 997	58 707	10.46%	1 133 329	116 955	10.32%
Resources of customers	1 131 646	27 618	4.92%	1 219 032	62 300	5.11%
Liabilities represented by securities	229 678	11 252	9.88%	246 570	24 462	9.92%
Other resources (2)	14 110	239	3.41%	90 588	787	0.87%
Financial liabilities	2 507 431	97 815	7.87%	2 689 519	204 504	7.60%
Financial Result	14 072			41 409		

Includes: (1) Cash and cash equivalents and Loans and advances to banks; (2) Financial liabilities held for trading and Other liabilities (Deposited collateral under clearing agreements + Leasing liabilities)

Considering that, the foreign exchange open risk position is the main source of market risk, Haitong Bank closely manages the exposures by currency. As of June 30, 2026, and December 31, 2025, the exposure of assets and liabilities by currency was as follows

(thousand euros)

	30.06.2026			31.12.2025		
	Spot	Forward	Net Exposure	Spot	Forward	Net Exposure
AOA	2 623	-	2 623	2 483	-	2 483
AUD	(0)	-	(0)	-	-	-
BRL	78 012	6 454	84 466	73 641	6 167	79 808
CAD	(0)	-	(0)	(0)	-	(0)
CHF	176	-	176	178	-	178
CNY	11 988	(6 467)	5 521	5 077	-	5 077
DKK	(5)	-	(5)	(5)	-	(5)
GBP	21 454	(19 721)	1 733	19 524	(17 803)	1 721
HKD	(1 601)	-	(1 601)	(1 752)	0	(1 752)
JPY	-	-	-	(0)	-	(0)
MOP	5 817	-	5 817	6 871	-	6 871
MXN	(0)	(0)	(0)	(0)	(0)	(0)
NOK	-	-	-	0	-	0
PLN	39 957	0	39 957	33 129	7 107	40 236
SEK	0	-	0	-	-	-
TRY	(0)	-	(0)	-	-	-
USD	151 844	(146 878)	4 966	126 219	(118 933)	7 285
Total	310 266	(166 612)	143 653	265 364	(123 462)	141 902

Note: asset (liability)

The main source of FX risk of Haitong Bank comes from its foreign subsidiary Haitong Banco de Investimento do Brasil S.A.

The Group Haitong Bank is exposed to interest rate risk arising from both trading book and banking book positions within its portfolio. The interest-rate-sensitive positions, allocated according to their contractual maturities and classified by the corresponding financial statement line items, as of June 30, 2026, and December 31, 2025 are:

(thousand euros)

	30.06.2026					
	Book Value	Not sensitive to interest rates	Sensitive to fixed and floating			
			Up to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years
Cash and cash equivalents	23 122	23 122	-	-	-	-
Financial assets at fair value through profit or loss	953 101	16 802	664	5 457	40 120	890 059
Financial assets held for trading	936 452	1 143	640	5 457	39 154	890 059
Securities	917 991	-	520	5 306	35 363	876 801
Derivative financial assets	18 461	1 143	119	151	3 790	13 258
Non-trading financial assets mandatorily at fair value through profit or loss	16 649	15 659	24	-	966	-
Financial assets at fair value through other comprehensive income	355 182	-	5 199	28 678	149 857	171 447
Financial assets measured at amortised cost	1 687 478	74	325 459	146 841	837 778	377 327
Securities	643 960	-	7 403	50 936	336 801	248 821
Loans and advances to banks	305 457	74	305 383	-	-	-
Loans and advances to customers	738 061	-	12 673	95 905	500 977	128 506
Other Assets not sensitive to interest rates	263 469	263 469	-	-	-	-
Total Assets	3 282 352	303 467	331 322	180 976	1 027 755	1 438 832
Financial liabilities held for trading	18 594	3 637	185	130	4 340	10 302
Securities	513	-	-	22	491	-
Derivative financial liabilities	18 081	3 637	185	108	3 848	10 302
Financial liabilities measured at amortised cost	2 564 759	-	1 060 595	722 190	766 310	15 664
Resources of credit institutions	1 212 649	-	779 844	15 827	401 481	15 497
Resources of customers	1 096 748	-	265 576	471 139	359 867	167
Debt securities issued	255 362	-	15 175	235 224	4 963	-
Other Liabilities not sensitive to interest rates	80 526	80 526	-	-	-	-
Total Liabilities	2 663 879	84 163	1 060 780	722 320	770 650	25 966
Gap (Assets-Liabilities)	618 473	219 304	(729 459)	(541 344)	257 105	1 412 867

(thousand euros)

	31.12.2025					
	Book Value	Not sensitive to interest rates	Sensitive to fixed and floating			
			Up to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years
Cash and cash equivalents	24 507	24 507	-	-	-	-
Financial assets at fair value through profit or loss	903 411	15 880	4 820	7 304	45 659	829 748
Financial assets held for trading	887 352	732	4 796	7 304	44 773	829 748
Securities	869 988	-	4 796	7 213	39 228	818 751
Derivative financial assets	17 364	732	-	91	5 545	10 997
Non-trading financial assets mandatorily at fair value through profit or loss	16 059	15 148	25	-	886	-
Financial assets at fair value through other comprehensive income	314 927	-	12 733	49 967	168 726	83 500
Financial assets measured at amortised cost	1 946 341	74	682 000	192 354	724 466	347 446
Securities	568 068	-	28 169	140 946	227 870	171 083
Loans and advances to banks	651 713	74	649 688	1 951	-	-
Loans and advances to customers	726 560	-	4 143	49 457	496 596	176 363
Other Assets not sensitive to interest rates	240 313	240 313	-	-	-	-
Total Assets	3 429 499	280 774	699 553	249 625	938 851	1 260 695
Financial liabilities held for trading	55 762	248	-	32 223	6 179	17 112
Securities	32 724	-	-	31 909	533	282
Derivative financial liabilities	23 038	248	-	315	5 645	16 830
Financial liabilities measured at amortised cost	2 690 790	-	1 189 950	445 269	1 040 459	15 113
Resources of credit institutions	1 195 890	-	830 349	16 994	333 434	15 113
Resources of customers	1 251 441	-	349 470	396 100	505 871	-
Debt securities issued	243 459	-	10 130	32 175	201 153	-
Other Liabilities not sensitive to interest rates	70 702	70 702	-	-	-	-
Total Liabilities	2 817 254	70 950	1 189 950	477 492	1 046 637	32 224
Gap (Assets-Liabilities)	612 245	209 824	(490 396)	(227 868)	(107 786)	1 228 470

Non-trading market risk arises primarily from activities outside of our trading units, in the banking book, and from certain off-balance sheet items, embedding considerations of different accounting treatments of transactions. The most significant risks in the banking book are the changes in the interest rate risk (IRRBB) and the changes in credit spread risk (CSRBB).

Regarding IRRBB, Haitong Bank aims to capture all material sources of interest rate risk and assess the effect of market changes on the scope of its activities and manage IRRBB by measuring the sensitivity of the economic value of its banking book and the sensitivity of its net interest margin expected in a given time horizon.

To measure the economic value, the Bank uses a run-off balance sheet, where existing assets and liabilities are not replaced as they mature, whether for net interest income metric, the Bank follows a stable balance sheet model, where maturing contracts are replaced like for like, but with rates equal to be forward rates at the time of maturing.

As of June 30, 2026, and December 31, 2025, the repricing profile of the Bank for interest rate risk-sensitive positions was the following:

(thousand euros)

Tenor	30.06.2026			31.12.2025		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Up to 3 months	1 075 313	(834 829)	240 484	1 545 388	(935 003)	610 385
3 to 6 months	469 586	(287 788)	181 797	226 643	(429 284)	(202 641)
6 to 12 months	68 057	(468 491)	(400 434)	130 478	(148 464)	(17 986)
From 1 to 5 years	607 403	(265 826)	341 577	405 375	(529 087)	(123 712)
More than 5 years	321 954	(72 829)	249 125	273 250	(86 979)	186 271
Total	2 542 313	(1 929 763)	612 549	2 581 134	(2 128 817)	452 317

Hence, the Bank calculates impacts of different shocks in the yield curves, measured by the economic value of equity (EVE) and the net interest income (NII). In addition, the regulatory add-ons for automatic options and basis risk, defined in the Commission Delegated Regulation (EU) 2024/857, are added to EVE and to NII, generating the final impacts on the banking book economic value and net interest margin. The results were:

(thousand euros)

Scenarios	30.06.2026		31.12.2025	
	Delta EVE	Delta NII	Delta EVE	Delta NII
Final worst impact	(44 298)	(1 889)	(23 398)	(2 766)
Regulatory Add-ons	(300)	(80)	(244)	(74)
Worst Impact (without regulatory Add-ons)	(43 998)	(1 809)	(23 153)	(2 692)
Parallel up	(43 998)	1 809	(23 153)	2.692
Parallel down	25 135	(1 809)	13 438	-2.692
Steeper	(10 627)	n.a.	(9 408)	n.a.
Flattener	261	n.a.	2 004	n.a.
Short rates up	(13 115)	n.a.	(3 725)	n.a.
Short rates down	6 962	n.a.	1 717	n.a.
% Tier 1 Capital	8.61%	0.37%	4.50%	0.53%
% Total Capital	8.59%	0.37%	4.48%	0.53%

Unaudited Information

Source: Haitong Bank S.A.

As of June 2026, the economic value of equity (EVE) amounted to 44.3 million euros (8.61% of Tier 1 Capital), representing an increase from 23.4 million euros (4.50% of Tier 1 Capital) as of December 2025. This increase was primarily driven by the acquisition of new bond instruments with partial unwinding of existing hedging positions in futures, and reduction of exposure and average maturity in funding (deposits).

Concerning CSRBB, Haitong Bank aims to capture changes in market perception about the credit quality of individual credit-risky instruments, either because of the changes to expected default levels or because of changes to market liquidity. Changes to underlying credit quality perceptions can amplify the risks already arising from yield curve risk, being this risk is also defined as any kind of asset and/or liability spread risk of credit-risky instruments which is not explained by IRRBB, nor by the expected credit/jump-to-default risk.

To monthly measure the CSRBB, Haitong Bank considers a historical VaR simulation approach with a one-year holding period, a five-year observation period and a 99% confidence level.

(thousand euros)

	30.06.2026		31.12.2025	
	CSR Requirement	HTCS Exposures	CSR Requirement	HTCS Exposures
Haitong Bank S.A.	18 147	300 879	12 919	244 925
of which: Sovereign	2 827	52 061	29	11 562
of which: Corporate	15 433	248 818	12 890	233 363
Haitong Banco de Investimento do Brasil S.A.	344	55 269	526	70 888
of which: Sovereign	267	49 056	443	65 342
of which: Corporate	77	6 214	83	5 546
Covariance	(530)	n.a.	(1 202)	n.a.
Global	17 961	356 148	12 244	315 812
Global CSR Requirement	17 961	356 148	14 515	315 812
% Tier 1 Capital	3.49%	-	2.79%	-
Average Duration (years)	-	3.85	-	2.89

The final capital requirement for CSRBB corresponds to the higher of the value at risk calculated at the reference reporting date and the average of the value at risk observed over the previous twelve months. Accordingly, as of June 2026, the final capital requirement for CSRBB amounted to 18.0 million euros (3.49% of Tier 1 Capital), representing an increase from 14.5 million euros (2.79% of Tier 1 Capital) as of December 2025. This increase was primarily driven by the growth in exposures and the longer average duration of sovereign and corporate bonds classified as Fair Value through Other Comprehensive Income (FVOCI) and held by Haitong Bank, S.A.

Reference interest rate reforms

Regulation (EU) 2016/1011 of the European Parliament and of the Council (known as the EU Benchmark Regulation or BMR) established a common framework to ensure that benchmark interest rates meet certain requirements that guarantee their reliability and efficiency as well as protect the consumer and investor, which implied a set of reforms, currently underway, of the reference interest rates with different implications for the activities of financial institutions.

The Bank holds fallback provisions in its contracts in accordance with market practice to respond to a discontinuity in rates.

As of June 30, 2026, in Warsaw Branch, there are no financing contracts nor derivatives whose contract rate is associated with discontinued Libor rates.

As of June 30, 2026, in Warsaw Branch there're financing contracts as well as derivatives related to WIBOR index that is planned to be discontinued.

The Polish benchmark reform is aimed at replacing WIBOR with POLSTR (Polish Short-Term Rate), which was selected in December 2024 as the target benchmark replacing WIBOR and WIBID. According to the updated roadmap approved by the National Working Group on Benchmark Reform and revised on 30 June 2026, financial institutions are gradually introducing POLSTR into new products and instruments. The Polish Financial Supervision Authority (KNF) expects supervised entities to cease using WIBOR in new contracts and financial instruments by 31 December 2026. Consequently, from 1 January 2027, WIBOR should be used only for the management of legacy exposures, while new transactions should, as a rule, reference POLSTR.

Furthermore, GPW Benchmark S.A. announced that 31 December 2036 will be the last publication date for the key WIBOR and WIBID benchmarks, with their orderly cessation scheduled for 1 January 2037.

The Bank continues to monitor the reform and assess its potential impact on its products, contracts, systems and risk management framework.

Liquidity risk

Liquidity risk arises from an institution's present or future inability to meet all payment obligations when they become due or to secure the necessary resources at an excessive cost.

In alignment with the risk vision statement approved by the Board of Directors, Haitong Bank as whole, and all its subsidiaries individually aim to maintain a solid short-term liquidity position and a sustainable medium and long-term funding profile, both at Group level and at each subsidiary level. To achieve these objectives, Haitong Bank seeks to develop a diversified investors base, ensuring access to alternative funding sources and instruments, and maintaining an adequate funding structure to support its activity.

Haitong Bank's liquidity and funding management fall under the direct responsibility of the Executive Committee, advised by the Assets and Liabilities Committee (ALCO). Daily liquidity management is carried out by local treasury teams in the Bank's liquidity hubs (Lisbon, S. Paulo and Warsaw), coordinated globally by the Executive Committee member responsible for Treasury.

The Bank employs a comprehensive approach to liquidity management, which includes: establishing a liquidity risk policy, monitoring key liquidity risk metrics, including prudential liquidity ratios, conducting stress tests and maintaining liquidity contingency plans, and setting limits consistent with the Bank's liquidity risk appetite and regulatory requirements.

As of June 30, 2026, the Bank held 704 million Euros of High-Quality Liquid Assets (836 million Euros on December 31, 2025), of which 277 million were available deposits in Central Banks (606 million Euros on December 31, 2025). The remainder of the High-Quality Liquid Assets (HQLA) comprised primarily sovereign debt of European Union countries and Brazilian Government bonds denominated in Brazilian Reais, held by Haitong Bank subsidiary in Brazil.

On June 30, 2026, Haitong Bank reported a surplus of 365 million Euros of its 30-day stressed net outflows, resulting in an LCR of 208% (237% on December 31, 2025) comfortably exceeding both regulatory and internal thresholds.

(million euros)

Liquidity Coverage Ratio	30.06.2026	31.12.2025
High Quality Liquid Assets	704	836
Surplus over stressed net outflows	365	484
Liquidity Coverage Ratio	208%	237%

Unaudited Information

In 2026, Haitong Bank's primary funding sources included long-term facilities provided by banks, debt securities issued both by Haitong Bank and by its Brazilian subsidiary, sales under repurchase agreements (repos) and deposits from clients (households, corporate and institutional clients).

In stressed market conditions, significant changes in the value of derivatives may require additional collateral postings under master netting agreements (e.g. ISDA) and margin agreements (e.g. Credit Support Annex) primarily with financial institutions. Details on derivatives positions and collateral received and posted are provided in notes 20 and 27, respectively.

As of June 30, 2026, contractual undiscounted cash flows of financial assets and liabilities present the following structure:

(thousand euros)

	30.06.2026						
	On demand	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Undetermined	Total
Assets							
Cash and cash equivalents	23 122	-	-	-	-	-	23 122
Financial assets held-for-trading (Securities)	-	50 801	57 030	454 532	2 452 801	-	3 015 164
Non-trading financial assets mandatorily at fair value through profit or loss	-	-	-	1 144	-	15 659	16 803
Financial assets at fair value through other comprehensive income	1 194	7 441	42 220	237 687	219 877	-	508 419
Financial assets at amortised cost	14 278	5 425	92 098	457 347	285 736	-	854 884
Loans and advances to banks	286 222	20 600	-	-	-	-	306 822
Loans and advances to customers	601	23 803	171 105	603 053	66 152	-	864 714
Derivatives Instruments	-	58 185	177 648	158 777	753 706	16 332	1 164 648
Total	325 417	166 255	540 101	1 912 540	3 778 272	31 991	6 754 576
Liabilities							
Resources of other credit institutions	780 239	1 010	27 226	452 224	6 036	-	1 266 735
Resources of customers	48 317	257 550	441 403	395 023	328	-	1 142 621
Debt securities issued	-	15 344	250 752	6 786	-	-	272 882
Financial liabilities held-for-trading (Securities)	111	402	-	-	-	-	513
Derivatives Instruments	-	58 022	177 649	158 777	756 059	5 189	1 155 696
Total	828 667	332 328	897 030	1 012 810	762 423	5 189	3 838 447

As of December 31, 2025, contractual undiscounted cash flows of financial assets and liabilities present the following structure:

(thousand euros)

	31.12.2025						
	On demand	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Undetermined	Total
Assets							
Cash and cash equivalents	24 507	-	-	-	-	-	24 507
Financial assets held-for-trading (Securities)	-	50 988	20 940	423 768	2 292 091	-	2 787 787
Non-trading financial assets mandatorily at fair value through profit or loss	-	-	-	1 049	-	15 148	16 197
Financial assets at fair value through other comprehensive income	-	16 501	62 037	244 545	118 769	-	441 853
Financial assets at amortised cost	1 993	35 978	199 431	337 485	190 131	-	765 018
Loans and advances to banks	83	651 807	-	-	-	-	651 891
Loans and advances to customers	4	17 521	141 831	599 624	111 251	-	870 230
Derivatives Instruments	-	182 920	16 864	158 188	160 371	22 038	540 381
Total	26 587	955 715	441 103	1 764 660	2 872 613	37 186	6 097 865
Liabilities							
Resources of other credit institutions	-	831 683	27 187	378 704	7 330	-	1 244 904
Resources of customers	14 056	338 308	403 275	548 880	-	-	1 304 519
Debt securities issued	-	10 452	40 689	218 340	-	-	269 481
Financial liabilities held-for-trading (Securities)	282	32 442	-	-	-	-	32 724
Derivatives Instruments	-	182 709	16 561	158 157	160 371	450	518 248
Total	14 338	1 395 594	487 712	1 304 080	167 701	450	3 369 876

The derivatives undiscounted cash flows are calculated as gross cash flows of each side of the deal, not considering any net positions.

The maturity profile of issued guarantees issued, and undrawn commitments is presented in the following table:

(thousand euros)

	30.06.2026					Total
	On demand	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Financial guarantees	-	32 672	11 336	39 728	1 868	85 604
Undrawn commitments	-	16 781	74 851	20 190	2 100	113 922
Total commitments and guarantees	-	49 453	86 187	59 918	3 968	199 525

(thousand euros)

	31.12.2025					Total
	On demand	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Financial guarantees	-	24 455	32 220	35 286	5 974	97 935
Undrawn commitments	-	-	45 940	42 278	2 100	90 317
Total commitments and guarantees	-	24 455	78 160	77 564	8 074	188 253

Operational risk

Operational risk corresponds to the probability of occurrence of events with a negative impact on earnings or capital resulting from inadequate internal procedures or their negligent application, inadequacy or failure of information systems, staff behaviour, or external events. Legal risk is included in this definition.

The Bank has in place a framework to ensure the standardization and systematization of the regular activities regarding the identification, assessment, response/mitigation, monitoring and control as well as reporting of operational risk. A team within the Risk Management Department is exclusively dedicated to the management of this framework.

Capital Management and Solvency Ratio

The main purposes of capital management in the Group are (i) to promote sustainable growth of activity by creating enough capital to withstand the increase of assets, (ii) meet the minimum requirements established by the supervising entities in relation to capital adequacy and (iii) ensure the achievement of the strategic goals set by Group in relation to capital adequacy.

Regulatory capital requirements are determined by Banco de Portugal under the CRR (Regulation EU no. 575/2013) and CRD (Directive EU no. 2013/36/EU). Under these regulatory frameworks, capital requirements are set in consideration of the level of risk that the Bank is exposed to, which is measured through both risks weighted assets (RWAs) and leverage.

Under this regulatory framework, the minimum CET1 ratio is 4.5%, the minimum Tier 1 ratio is 6% and the minimum Total Capital Ratio is 8%. In addition, these minimum ratios are supplemented by the capital conservation buffer, established at 2,5% from 1 January 2019.

Also related to the CRD capital buffers, in November 2016 Banco de Portugal decided to impose a capital surcharge on six Portuguese banking groups classified as O-SIIs (Other Systemically Important Institutions) in the scope of its annual revision of the identification of the imposition of capital buffers, pursuant to Article 138-R (2) of the Legal Framework of Credit Institutions and Financial Companies (RGICSF). Haitong Bank is excluded from the scope of application of this macro-prudential buffer.

The regulation also provides a countercyclical capital buffer of up to 2.5% to be imposed where national supervisors deem it necessary to counteract excessive credit growth in the jurisdictions under their supervision. The buffer rate is subject to quarterly review. As of 30 June 2026, the countercyclical capital buffer applicable to exposures to counterparties located in Portugal is 0.75% of the total risk exposure amount, following Banco de Portugal's decision to activate the buffer with effect from 1 January 2026.

In addition to the above-mentioned capital buffers, as of July 1, 2018, Haitong Bank became subject to an additional requirement with a specific add-on, determined and revised under the Supervisory Review and Evaluation Process performed by Banco de Portugal. On February 1, 2022, Banco de Portugal, as the authority responsible for supervision of Haitong Bank, S.A. on a consolidated basis, communicated the decision regarding the annual supervisory review and evaluation process (SREP 2021), according to which it assigns to Haitong Bank a specific own funds requirement of 4%, to be met at all times from the 1st of July of 2022 onwards, determined under the combined provisions of Article 116C (1), (2)(a), (3)(b) and (4) of the RGICSF. On 28th November 2024 Banco de Portugal informed Haitong Bank of its decision to reduce the Bank's specific own funds requirement to 3.5% from the 1st April 2025.

At the moment and for reporting purposes related to prudential effects before the supervising authorities, the Group uses the Standard method for handling credit risk and operational risk ("The Standardized Approach" - TSA method).

The following table summarizes the capital adequacy of the Haitong Bank Group as at June 30, 2026, and December 31, 2025:

	30.06.2026	31.12.2025
CET1 ratio	18,90%	19,60%
Tier 1 ratio	23,80%	24,60%
Total Capital ratio	23,90%	24,70%

Unaudited Information

Source: Haitong Bank S.A.

NOTE 40 – SUBSEQUENT EVENTS

Between June 30, 2026, and the date of approval of these consolidated financial statements by the Bank's Board of Directors, there were no subsequent events that required adjustments or modifications to them.

Statement of the Auditing of the Accounts

Under no. 4 of article 8 of the Securities Code, we declare that the financial information for the first half of 2026 relating to Haitong Bank, S.A. and the companies included in its consolidation perimeter have not been audited.

Lisbon, September 16, 2026

Pan Guangtao
(Chairman of the Board of Directors)

Lu Xiaoli
(Chief Executive Officer)

Alan do Amaral Fernandes
(Executive Board Member)

José Miguel Aleixo Nunes Guiomar
(Executive Board Member)

Vasco Câmara Pires dos Santos Martins
(Executive Board Member)

António Domingues
(Non-Executive Board Member)

Ana Martina Garcia Raoul-Jourde
(Non-Executive Board Member)

Chen Xuemei
(Non-Executive Board Member)

Maria do Rosário Mayoral Robles Machado Simões Ventura
(Non-Executive Board Member)

Xinjun Zhang
(Non-Executive Board Member)

ANNEXES



Shares and Bonds Held by Members of the Board of Directors and Supervisory Bodies

Annex referred to in paragraph 5 of Article 447 of the Portuguese Companies Code

Shareholders / Bondholders	Securities	Securities held as of 31/Dec/2025	Transactions in 1H2026			Securities held as of 30/Jun/2026
			Date	Acquisitions	Disposals	
Pan Guangtao	-	-	-	-	-	-
Lu Xiaoli (Nick Lu)						
Wu Min	-	-	-	-	-	-
Alan Fernandes	-	-	-	-	-	-
Nuno Carvalho	-	-	-	-	-	-
Vasco Câmara Martins	-	-	-	-	-	-
Miguel Guiomar	-	-	-	-	-	-
Zhang Xinjun (Jeff Zhang)	-	-	-	-	-	-
António Domingues	-	-	-	-	-	-
Maria do Rosário Ventura	-	-	-	-	-	-
Martina García	-	-	-	-	-	-
Chen Xuemei (Michelle Chen)	-	-	-	-	-	-

Declaration of Conformity

In accordance with Article 29 - G (1-c) of the Portuguese Securities Code, the Members of the Board of Directors of Haitong Bank, S.A. hereby declare that, to the best of their knowledge:

- a) The consolidated financial statements of Haitong Bank, S.A. for the year ended on 30 June 2026 were prepared in accordance with the legally applicable accounting standards and with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, of July 19th, as set forth in Article 29 - G (3) of the Portuguese Securities Code;
- b) The financial statements referred to in paragraph a) above give a true and fair view of Haitong Bank, S.A. and consolidated companies' assets, liabilities, equity and earnings;
- c) The Management Report describes faithfully Haitong Bank, S.A. and consolidated companies' business evolution, performance and financial position for the first six months of 2026, and includes a description of the main risks and uncertainties that could affect the business.

Lisbon, September 16, 2026

Pan Guangtao
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(Non-Executive Board Member)

Xinjun Zhang
(Non-Executive Board Member)

