HAITONG

2025 INTERIM REPORT

HAITONG BANK, S.A.

Edifício Quartzo Rua Alexandre Herculano, 38
1269-180 Lisbon | PORTUGAL
Registered Share Capital: 871 277 660 euros
Corporate Registration
and Tax Number: 501 385 932

UNITED KINGDOM

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MANAGEMENT REPORT

Senior Management

Board of Directors

Pan Guangtao

Chairman of the Board of Directors

Wu Min

Chief Executive Officer and Executive Board Member

Subsidiary and Branch Management | CEO Office | Human Resources |Finance | Cross-border Business

Alan Fernandes

Executive Board Member

Haitong Banco de Investimento do Brasil, S.A.

Miguel Guiomar

Executive Board Member

Portugal Branch[1] | Fixed Income | Treasury

Nuno Carvalho

Executive Board Member

Compliance & AML-FT | CISO | Special Portfolio Management Development and Application Support and IT Infrastructure | Online Banking | Legal

Vasco Câmara Martins

Executive Board Member

Risk Management | Rating | Operations

Lu Xiaoli (Nick Lu)

Executive Board Member

Macau Branch | Headquarter Business Coordination

[1] *Does not correspond formally to a legal entity, having been established for internal organisational purposes only*

António Domingues

Non-Executive Board Member

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

Guotai Haitong Securities Co., Ltd. [1]

100%

Haitong International Holdings Limited

100%

Haitong Bank, S.A. (Portugal)

	SUBSIDIARIES	MANAGERS
80%	Haitong Banco de Investimento do Brasil, S.A.	Bin Xu [4] Rogério Graziottin [4]
100%	Haitong Global Asset Management, SGOIC, S.A.	Luis Valença Pinto António Serra Gonçalo M. de Almeida

MANAGERS	BRANCHES
Luís Boavista Martim Ricciardi [3]	Portugal Branch [2]
José Miguel Rego Luis Gil de Bernabé	Spain Branch
Krzysztof Rosa Marianna Chodacka	Warsaw Branch
Xin Jie Pedro Costa	London Branch
Lu Xiaoli Luís Valença Pinto André Castanheira Pinto	Macau Branch
Shuo Zhang	Paris Rep. Office

[1] *Regarding the merger process of Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd., applications have been submitted to the relevant regulators of the Haitong Bank Group, including Banco de Portugal, Comissão do Mercado dos Valores Mobiliários (CMVM), Banco Central do Brasil, and the Cayman Islands Monetary Authority. To date, CMVM and the Cayman Islands Monetary Authority have approved the merger (the latter subject to the approval of Banco de Portugal and Banco Central do Brasil), with the approval from the remaining regulators still pending*

[2] *Does not correspond formally to a legal entity and was stablished for internal organisation purposes only*

[3] *Deputy Branch*

[4] *Pending approval by BACEN*

Governance

As of June 30, 2025

General Meeting Board

Chair Mª João Ricou
Secretary David Ramalhete

Audit Committee

Chair
M.ª do Rosário Ventura
Members
Martina García
Chen Xuemei (Michelle Chen)

Statutory Auditor

Pricewaterhouse Coopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda. (“PWC SROC”) represented by Cláudia Sofia Gonçalves Parente de Palma

Board of Directors

Chair

Pan Guangtao

Members

Wu Min

Alan Fernandes

Nuno Carvalho

Vasco Câmara Martins

Miguel Guiomar

Lu Xiaoli (Nick Lu)

Zhang Xinjun (Jeff Zhang)

António Domingues

M.ª do Rosário Ventura

Martina García

Chen Xuemei (Michelle Chen)

Remuneration Committee

Chair
Martina García
Members
António Domingues
M.ª do Rosário Ventura
Pan Guangtao

Company Secretary

Secretary Pedro Costa
Alternate António Pacheco

Corporate Governance Committee

Chair
Chen Xuemei (Michelle Chen)
Members
Zhang Xinjun (Jeff Zhang)
António Domingues

Executive Committee

CEO
Wu Min

Members
Alan Fernandes
Nuno Carvalho
Vasco Câmara Martins
Miguel Guiomar
Lu Xiaoli (Nick Lu)

Senior Managers with a Seat on the Executive Committee
António Pacheco
Pedro Costa

Risk Committee

Chair
António Domingues
Members
Pan Guangtao
Martina García

Board Credit Review Committee

Chair
Pan Guangtao
Members
António Domingues
Zhang Xinjun (Jeff Zhang)

New Business Committee

Chair: Executive Bord Member responsible for Risk Management
Members: Deputy Head of CEO Office; Head of Finance; Head of Legal; Head of CISO Office; Head of Operations; Head of IT Infrastructure; Head of IT Development and Application Support; Head of Risk Management Function; Head of Compliance Function/Data Protection Officer

IBK Global Adoption Committee

Chair: Executive Bord Member responsible for Brazil
Members: Seven Members
(including the Head of Risk Management Function and the Head of Compliance Function

Impairment Committee

Chair and Members: One Chair and three Members

Assets and Liabilities Committee

Chair and Members: One Chair and seven Members

Macroeconomic Background

1H2025 Overview

"Unpredictable" has been one of the most frequently used adjectives to describe the outlook of the global economy since the beginning of the current mandate of the US administration in January 2025.

In hindsight, the global economic activity started on a positive trend in 1H2025 as inflation decelerated to the slowest pace since 2021, and central banks were preparing for a final leg of monetary easing without the risk of a recession. On the back of a resilient US GDP growth in 2024 (2.8% vs. 2.9% in 2023), the outlook for economic reactivation in Europe and China was expected to support global growth close to 3% in 2025 (vs. 3.3% in 2024), despite the risks from a US-led trade war. However, the US Administration's decision to renegotiate the terms of trade with all countries on April 2nd, with the so-called "Liberation Day", introduced an unprecedented change in the global trade of goods. It also challenged governments to adopt different measures to shield their economies from the impact of highly uncertain US external policies.

Uncertainty about the outcome of the trade negotiations and the impact of inevitably higher import tariffs in the US triggered a decline in global business confidence. According to the manufacturing PMI index, industrial activity expectations in China eased from 52.2 in December 2024 to 50.6 in June 2025. In the Eurozone, the equivalent PMI decelerated from 51.6 in December 2024 to 50.5 in June 2025. Even in the US, the industrial sector's PMI remained sub-par at 49 in June 2025 vs. 49.2 in December 2024, due to the high risk of disruption in global supply chains, especially with China.

Before the announcement of the tariffs, US importers anticipated the risk of a "trade war", and the trade deficit triggered by a 37.9% YoY jump in imports caused a GDP contraction of -0.5% QoQ in 1Q2025, vs. +2.4% QoQ in 4Q2024.

One of the major impacts of the "trade war" would be the upside risk to US inflation and the possible limits for the FED's ability to keep on easing the monetary stance in 2025. By the closing of this report, the core-CPI (consumer prices excluding food and energy) reaccelerated from 2.8% between March 2025 and May 2025 (the lowest since 1Q2021) to 3.1% in July 2025. The FED currently estimates core inflation to move up to 3.1% by December 2025. The FED left the benchmark fund rate unchanged in the range of 4.25% to 4.5% in 1H2025 and highlighted the upside risks to inflation even in the event of lower growth in 2025.

The FED's decision to adopt a more cautious strategy to keep its interest rates unchanged, aiming to secure the mandate of price and growth stability (2% core-PCE inflation and full employment), was not well accepted by the White House. The executive cabinet increased the pressure on the central bank to ease the monetary conditions to boost the economy and reduce its burden on the federal debt (121% of GDP in 2024). Despite the FED's legal independence, the constant pressure for a change in the US central bank added a new layer of potential institutional risk for financial market participants.

A new 10-year fiscal bill, approved in June 2025, increased the US debt ceiling by USD 5 trillion to a total of USD 41 trillion, combined with a permanent tax reduction that should generate an additional USD 3.3 trillion deficit until 2035. Bond markets priced the persistent fiscal imbalance with higher yields for longer maturity US Treasury securities. The spread between the 2-year bill and the 30-year bond widened from 54 basis points at the end of 2024 to 105 basis points by the end of 1H2025 – the highest since 1Q2022. The US sovereign credit rating was stripped of the AAA note by Moody's in May 2025 to Aa1 (stable outlook), which is equivalent to S&P's AA+ (stable outlook, since August 2011) and Fitch's AA+ (stable outlook since August 2023).

Volatility and risk aversion to USD asset classes emerged with the shock caused by the trade war, fiscal deterioration, and pressure on the independence of the FED during 1H2025. The dollar index dropped 10.7% YTD in 1H2025, reflecting an outflow from the greenback to liquidity currencies like the EURUSD (+13.8% YTD), CHFUSD (+12.6% YTD), GBPUSD (+9.7% YTD), JPYUSD (+8.4% YTD), and the CNYUSD (+1.9% YTD). The outflow from USD also led gold to jump 25.9% YTD in June 2025 and trade in the historical range of USD3,200/oz-USD3,400/oz since April 2025.

In 1H2025, global economic activity was not significantly affected by the new US economic policies. The anticipation of the trade war increased industrial activity and exports to the US by economies such as the EU and China, especially in 1Q2025. The Eurozone's real GDP advanced 1.5% YoY in 1Q2025 (vs. 1.2% YoY in 4Q2024) and inflation eased to the lowest since 2021 to the medium-term target of 2.0% in June 2025 (CPI), supporting the ECB's strategy to lower the benchmark deposit rate to 2% in June 2025 (-100 basis points in 1H2025). Economic sentiment in Germany significantly improved with the approval of a new fiscal framework in 1Q2025, which includes the elimination of the limit of 1% of GDP for defence (allowing the spending to double to 2% of GDP and in line with current NATO membership goals), and a special infrastructure fund of EUR 500 billion (12-year spending plan).

GDP growth in China exceeded the target of 5% in 1Q2025 (5.4% YoY vs. 5.4% YoY in 4Q2024) and 2Q2025 (5.2% YoY). Exports increased 5.7% YoY in 1Q2025 and 4.5% YoY in 2Q2025, accelerating the industrial activity by 7.7% in 1Q2025 and 6.2% in 2Q2025. The domestic economy was also fuelled by the continuing monetary support of the People's Bank of China and the fiscal stimulus (credit for durable consumer product industries). Retail sales advanced 4.3% in 1Q2025 and 5.1% in 2Q2025. Additionally, Chinese authorities accelerated the pace to reach trade agreements with the EU, BRICs, and fast-growing consumer markets, with the strategy to reduce the impact of the tariffs in the US market.

2H2025 Outlook

2025 has been a year of changing outlook with unknown downside risks to growth. Economic activity was artificially supported by the precautionary measures taken by market participants to reduce the cost of the US-led trade war. Additionally, the lagged effects of the monetary easing in 2024 (FED, ECB, BOE, PBoC, etc.) and the continuing fiscal expansion in the world's largest economies prevented the occurrence of a recession in 1H2025.

According to the recent readings of economic data, which suggest poor business and consumer confidence prevailing in 2H2025, consensus projections (Bloomberg, July 2025) also reflect the attempt to run economic models with limited conviction. However, the direction is clear: global GDP is expected to slow from 3.3% in 2024 to 2.8% in 2025 (vs. the previous expectation of 3.0%) and 2.8% in 2026 (vs. the previous expectation of 3.0%). Inflation remains pressured on the upside due to the potential disruption in supply chains in 2025 and 2026. Consensus estimates global CPI at 3.8% in 2025 (vs. 3.7% in December 2024) and 3.5% in 2026 (vs. 3.3% in December 2024).

A new wave of reshoring, nearshoring, and friend-shoring of supply chains should emerge in the next couple of years in response to the US trade policies, especially with the strategy to reduce concentration in vulnerable geographies. Such a move is likely to increase costs or reduce profit margins for businesses in 2025 and 2026.

The diversification outside the USD market and the reshoring of investments should continue to favour the appreciation of asset classes in liquid currency markets like the EUR, JPY, CNY, CHF, CAD, and GBP in 2H2025. In the event of further distress in USD markets, EURUSD is expected to move to a range of 1.20 to 1.30 in 2H2025 and 2026. The People's Bank of China is also expected to prevent excessive shifts in the CNYUSD, possibly avoiding the FX rate from dropping below 7.10 in 2H2025, compared to 7.16 by the end of June 2025 (-1.9% YTD).

Emerging market currencies are at risk of some volatility due to the risk of further retaliation from the US administration in case of a large devaluation against the USD. The Brazilian BRL gained 11.7% YTD in 1H2025 due to the monetary tightening of the central bank, with the benchmark Selic rate at the highs of two decades amid persisting inflation since 2H2024. The BRL is expected to remain mostly unchanged in 2H2025 with some downside risk leading to a mild devaluation toward 5.70 vs. 5.43 in June 2025. The Polish Zloty gained 0.9% vs. the euro in 1H2025, and the EURPLN should move in the range of 4.20 to 4.30 in 2H2025.

Bond markets are more exposed to volatility in the US, with the risk of political noise on the independence of the FED and the outlook of weaker economic performance of the US economy in 2H2025 and 1H2026. The FED is expected to cut the fund rate by 25 to 50 basis points in 2H2025 vs. the current range of 4.25% to 4.50% in the main scenario. However, in the case of a higher-than-expected deceleration of the economy (unemployment rate testing 4.5% in 2H2025 vs. 4.1% in 1H2025), the FED may decide on a larger move and cut rate by up to an additional 25 basis points by December 2025 (target range of 3.50% to 3.75%). The steepening of the USD curve should persist, with the yield of the 10Y Treasury note moving between 4% to 4.5% in 2H2025 (4.228% in June 2025). The ECB is expected to remain on hold in 2H2025 and the 10Y German bund is expected to trade in a range of 2.4% to 3.0%.

A possible downside revision of the sovereign credit rating (outlook and credit note) of the US and UK debt, due to the persisting deterioration of fiscal fundamentals, may also add more volatility to bond markets in 2H2025.

Risk appetite for credit, equity, and emerging market asset classes may be challenged with the outlook of slower global economic growth in 2H2025. Liquidity conditions in the Euro area are high due to the ECB's monetary easing and the German fiscal expansion. However, a global contagion from a risk-off scenario in USD markets in 2H2025 is not disregarded.

Key Indicators

(EUR million)

	June 2025	December 2024	June 2024
Balance Sheet			
Total Assets	3 568	3 303	3 663
Total Liabilities	2 927	2 665	3 014
Total Equity	641	638	649
Results			
Banking Income	33	66	35
Operating Costs	-28	-58	-29
Operating Profit	5	8	6
Impairment and Provisions	2	2	2
Net Profit / Loss	1	5	5
Profitability			
Return on average shareholders' equity (ROE)	0.3%	0.8%	1.6%
Income before tax and non-controlling interests / Average equity [1]	1.0%	1.5%	2.6%
Return on average net assets (ROA)	0.1%	0.2%	0.3%
Income before tax and non-controlling interests / Average net asset [1]	0.2%	0.3%	0.5%
Banking Income / Average net assets [1]	1.9%	2.0%	1.9%
Efficiency			
Operating costs / Banking income (Cost to Income ratio) [1]	84.6%	88.0%	82.5%
Staff Costs / Banking Income [1]	56.0%	57.9%	55.2%
Credit Quality			
Loan Portfolio (gross)	768	724	715
Loan Loss Charge	2.0	-0.0	-0.5
Non-Performing Loans Ratio	1.6%	1.0%	1.1%
Non-Performing Loans Coverage	20.9%	26.9%	47.6%
Solvency			
CET1 ratio	19.1%	19.3%	19.3%
Total capital ratio	23.9%	24.2%	24.2%
Leverage			
Leverage Ratio	11.4%	12.3%	11.0%
Liquidity Position			
Net Stable Funding Ratio (NSFR)	132%	134%	149%
Liquidity Coverage Ratio (LCR)	221%	211%	387%
Loans to deposits ratio ((Gross loans - provisions) / customer deposits) [1]	67%	69%	69%
Total Headcount	314	331	337

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

Financial Overview

During the first half of 2025, Haitong Bank's shareholder completed its merger process, with the creation of Guotai Haitong, which became the largest Chinese investment bank. The focus on this ongoing process has negatively affected the China-related business collaboration with Haitong Bank in the first half of the year, which was mostly reflected in the performance of the Macau Branch.

Nevertheless, the Bank's remaining franchises performed well to partially offset that impact. Banking Income reached EUR 33 million in 1H2025, 7% below the previous year. Corporate and Project Financing maintained strong momentum, marked by the successful completion of several new credit transactions. The Fixed Income business, particularly in Europe, also registered a strong performance in the period, leveraging on the higher volatility to seize market opportunities. The Net Interest Margin recorded a 23% YoY increase in 1H2025 despite the decrease in interest rates, representing the bulk of the Bank's Banking Income in the period. Capital Market results stood 12% below the previous year's performance and the 52% YoY drop in Fees and Commissions exposed the Macau Branch's subdued China-related DCM activity.

The Bank remained committed to the strict cost discipline that has been consistently pursued for several years. Operating Costs reached EUR 28 million in 1H2025, a 5% YoY decrease, and Operating Results remained slightly lower than the previous year (EUR 5 million vs. EUR 6 million in 1H2024). Net profit stood at EUR 1 million.

As of 30 June, 2025, Total Assets reached EUR 3.6 billion, increasing from EUR 3.3 billion at the end of 2024. The market volatility supported the Bank's investments, while the credit activity continued to be one of the most dynamic business activities.

Asset quality indicators remained historically low, with a 1.6% NPL and 1.7 % NPE at the end of 1H2025. From a capital perspective, Haitong Bank continues to show a strong capitalisation with a 19.1% CET1 and 23.9% Total Capital ratios.

On September 5th, 2024, an agreement was signed between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. regarding a proposed merger through absorption and participation via securities exchange. In March 2025, Guotai Junan Securities Co., Ltd. announced the conclusion of the merger process and changed its name to Guotai Haitong Securities Co., Ltd..

Applications have been submitted to the relevant regulators of the Haitong Bank Group, including Banco de Portugal, Comissão do Mercado dos Valores Mobiliário (CMVM), Banco Central do Brasil, and the Cayman Islands Monetary Authority. To date, CMVM and the Cayman Islands Monetary Authority have approved the merger (the latter subject to the approval of Banco de Portugal and Banco Central do Brasil), with the approval from the remaining regulators still pending.

During 1H2025, Standard & Poor's ("S&P") took the following rating actions:

- on February 19, 2025, S&P placed the "BB" long-term issuer credit rating on Haitong Bank on "CreditWatch" with positive implications and affirmed the "B" short-term issuer credit rating;
- on March 17, 2025, S&P upgraded the Bank's long-term credit rating to "BB+" from "BB" with a "Stable" outlook. The Bank' short-term credit was affirmed at "B". The rating upgrade followed the materialisation of the merger between Haitong Securities Co., Ltd. ("HTS") and Guotai Junan Securities Co., Ltd. ("GTJA"), with GTJA assuming all the assets and liabilities of HTS. On this date, S&P considered that Haitong Bank would remain strategically important to the new group;
- on July 31, 2025, S&P revised the Bank's outlook to "Negative" from "Stable". At the same time, S&P affirmed the Bank's "BB+/B" long- and short-term issuer credit ratings. According to S&P, there was not full clarity on whether Haitong Bank would remain consistent with Guotai Haitong Securities Co., Ltd.'s international strategy.

STRATEGY

Business Strategy

Haitong Bank is a corporate and investment bank committed to supporting clients in the several domestic markets where it operates and in cross-border transactions.

The Bank’s strategy is to connect clients and business opportunities across its broad network, combining a long-standing expertise in Europe and Latin America with a prominent Chinese background.

FOOTPRINT

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.

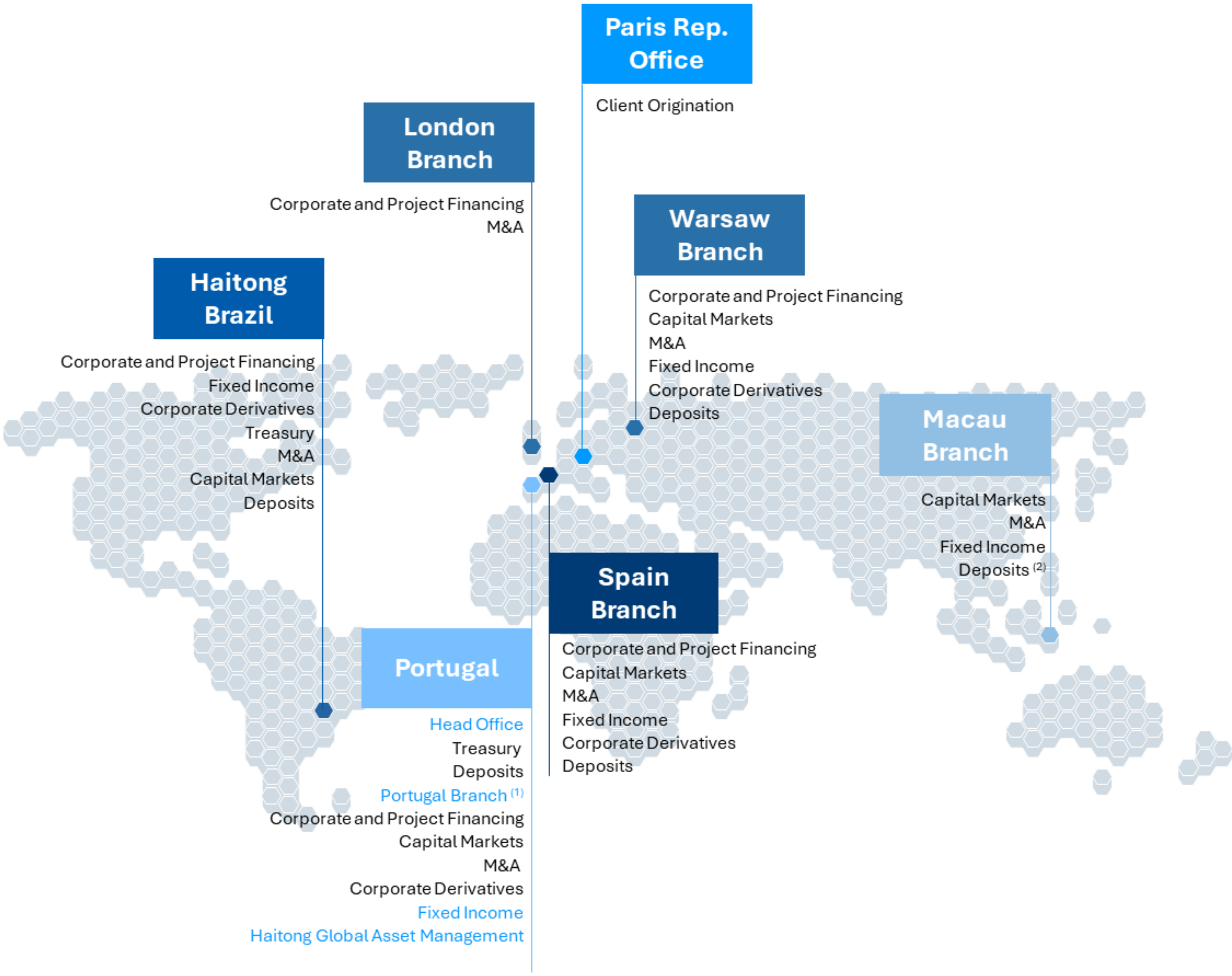
Over recent years, the Bank has followed a consistent strategy as a corporate and investment bank well anchored on its franchises in Europe, Latin America, and China. This positioning has allowed the Bank to improve its resilience and differentiation versus other Western and Chinese competitors.

The Bank’s mission is to provide first-class services to its clients, to further develop the Group’s global franchise and create shareholder value. 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
CO_2

INVESTMENT SERVICES

Global Asset Management
Cross-asset experience: equities, fixed income, private equity and Quant
Local expertise: Europe and China
Discretionary mandates and fund management

Deposits
Retail, corporate and institutional

ACTIVITY REVIEW

Head Office

Overview and Strategy

The Head Office was created within the scope of the new internal organisational structure implemented in March 2024, whereby Haitong Bank Group's business activities were split into several units, most of them corresponding to geographical units (Portugal, Spain, Poland, UK, Brazil, Macau, France, Fixed Income and HGAM).

With this internal organisational structure, established for management purposes only, there was a separation between the headquarters' functions, in terms of business coordination, from the role of the Portugal Branch, which was established as a functional unit responsible for the business in Portugal.

This business structure also aimed to promote an entrepreneurial spirit and increased responsibilities at a regional level, more suitable to the Bank as part of a multinational group, thus improving accountability and increasing cost transparency.

The Head Office is one of the four units based in Portugal (in addition to the Portugal Branch, Fixed Income, and Haitong Global Asset Management) and mainly includes:

- The centralised Treasury activity, which services the whole organisation (with the exception of Haitong Brazil);
- The Online Banking activity, particularly related to deposits sourced through the Bank's proprietary retail deposit platform;
- Internal Transfer Pricing; and
- Control and Support Functions, whose operating costs are subject to a cost allocation mechanism to the various units, according to internal transfer pricing rules.

BUSINESS LINES

- ✔ Treasury
- ✔ Deposits

BANKING INCOME [1]

€4 mn

[1] *Source: Haitong Bank (Management Information June 2025; non-statutory figures)*

Activity Highlights

The global economy in the first half of 2025 showed signs of stabilisation amid easing inflation and improving consumer sentiment. After a period of aggressive monetary tightening in 2022–2023, inflation rates across advanced economies continued to decline, allowing central banks to shift towards a more neutral or even accommodative stance. This transition provided a supportive backdrop for economic activity, particularly in sectors sensitive to interest rates such as housing and investment.

In the United States, GDP growth remained modest but resilient, supported by a strong labour market and easing cost pressures. The Federal Reserve held rates steady and signalled the possibility of gradual cuts, which contributed to improved market confidence. In the Eurozone, economic momentum was softer, but disinflation and targeted fiscal support helped offset structural headwinds. While Germany and France showed early signs of industrial stabilisation, Southern Europe benefited from tourism and export demand.

In this context, the Bank maintained a strong liquidity position in the first half of 2025, supported by a well-diversified funding structure. Deposit levels rose steadily, with a notable increase in retail deposits.

The Bank continued to leverage on online retail deposit platforms, which saw a substantial rise in volumes during the period. This channel has proven to be a reliable funding source, contributing positively to both the NSFR and LCR ratios.

During this period, the Bank also resorted to the money market to secure funding, primarily through collateralised transactions and interbank lending arrangements.

2H2025 Outlook

In the second half of 2025, the Treasury Department aims to secure the necessary liquidity to support the execution of the Bank's strategic plan. The focus will be on optimising the funding cost and reinforcing a resilient and well-diversified funding base. This will primarily involve retail deposits, long-term financing via syndicated loans or bond placements, and the use of securities collateral to access money market funding.

The Head Office unit in Portugal will continue to ensure that the Control and Support Functions remain up to date with the most relevant regulatory frameworks applicable, namely in what concerns the Bank's most recent areas: the CISO Office, IT Infrastructure, and IT Application Support.

Portugal

Overview and Strategy

The Portugal Branch[1] was established in 2024 as a business unit of Haitong Bank. This unit incorporates all corporate and investment banking business in Portugal and carries a long-standing market franchise of over three decades. The Portugal unit offers a combination of expertise in four business areas: Corporate and Project Financing, Capital Markets, M&A Advisory, and Corporate Derivatives.

Leveraging on Portugal's strong client coverage, the collaboration between Senior Bankers and the execution teams enables the Bank to improve cross-selling amongst its diverse product offering, providing clients with a comprehensive suite of choices to meet their unique financial goals.

To enhance Haitong Bank's competitiveness in lending products, there has been a special emphasis on best-in-class financing solutions. By delivering innovative, tailored solutions grounded in flexibility and expertise, the Bank strives to meet the clients' highest expectations.

BUSINESS LINES

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

BANKING INCOME [2]

€4 mn

[1] *Does not correspond formally to a legal entity, having been established for internal organizational purposes only*
[2] *Source: Haitong Bank (Management Information June 2025; non-statutory figures)*

Activity Highlights

In the first half of 2025, the Portugal unit continued to contribute to the growth of Haitong Bank's extensive franchise in Portugal, as well as on a cross-border basis.

The **Corporate and Project Financing** activity maintained strong momentum, marked by the successful closing of new transactions and the continued development of a robust pipeline of deals. Additionally, several new opportunities were originated with the aim of reaching financial closing by year-end. This achievement confirms the consistent positive performance of the Corporate and Project Financing business, reflecting its effective execution and resilience.

Despite operating in a challenging and highly competitive landscape, Haitong Bank's Corporate and Project Financing team has sustained its position in the Portuguese lending market, leveraging on its extensive experience, recognised structuring capabilities and longstanding track record. Ongoing pricing pressures in such a competitive environment required a proactive approach and constant market monitoring to identify and select the most suitable business opportunities based on a balanced risk-return profile, while continuing to deliver value-added solutions to clients.

From a sector perspective, positive dynamics were experienced in infrastructure and energy. Notably, two new deals were successfully closed, while several other transactions have been originated across the energy, infrastructure and real estate sectors.

The prudent management of the Bank's portfolio of loans and agency services remained a priority for the Corporate and Project Financing activity from both a risk and return perspective. The Bank remains focused on proactively monitoring the portfolio with the aim of ensuring the stability and profitability of its credit operations.

Within the scope of Corporate and Project Financing, the Bank consistently positions itself as a solutions-oriented partner, adopting a flexible and constructive approach tailored to delivering value-added transactions. This strategy has enabled Haitong Bank to effectively address complex clients' needs and solidify its reputation as a trusted financial partner.

With the first half of 2025 marking the strongest first half period on record for global Debt Capital Markets' activity, the Bank's **Capital Markets** activity was no exception to that trend. The DCM team led several deals, among which:

- Sole Global Coordinator of Futebol Clube do Porto – Futebol, SAD's EUR 50 million bond issue, with a tenor of 3 years and 8 months and a 5.5% coupon. This bond was placed through a Public Subscription Offer and a Public Exchange Offer, with a final demand of EUR 58.5 million, or 1.2x the issued amount;
- Sole Global Coordinator of Sport Lisboa e Benfica - Futebol, SAD's EUR 55 million bond issue, which was the 13th bond issued by this issuer and led by Haitong Bank. This 4.5% coupon bond was placed through a Public Subscription Offer and a Public Exchange Offer, with a final demand of EUR 76.5 million, or 1.4x the issued amount;
- Joint Global Coordinator of Mota-Engil, SGPS, S.A.'s EUR 95 million sustainability-linked bond, with a 5-year tenor and a 4.5% coupon, achieved through one Public Exchange Offer and one Public Subscription Offer. This fifth sustainability-linked bond issued by Mota-Engil was the public bond offer that attracted most retail interest in Portugal year-to-date, reaching a total demand of EUR 106.6 million, i.e. 1.1x the issued amount.

The **M&A** market in Portugal saw a 23% year-on-year decrease in deal value (completed transactions), totalling EUR 2.2 billion in the first semester of 2025. This decline occurred alongside a 35% reduction in deal volume, with 81 finalised transactions.

In the first half of 2025, Haitong Bank remained active in Portugal’s M&A market, successfully acting as exclusive financial advisor to the shareholders of A Padaria Portuguesa on the sale of the company to Grupo Rodilla. A Padaria Portuguesa, Lda, known under the “A Padaria Portuguesa” brand, is Portugal’s leading network of neighbourhood bakery & coffee shops, with over 80 stores, two manufacturing facilities and one logistic centre. Grupo Rodilla is a Spanish holding company with operations in casual dining and quick service, namely under the “Rodilla” and “Hamburguesa Nostra” brands. It is part of the DISA Group, which has an established presence in Portugal across various sectors, including soft drinks and beer, as well as fuel distribution. The transaction was signed in May 2025 and closed in July, after obtaining the customary regulatory approvals.

Apart from this deal, Haitong Bank continued to provide advisory services for other M&A transactions, namely in the construction and building materials and renewable energy sectors.

The **Corporate Derivatives** desk has remained active in FX products, primarily through the Haitong Electronic Platform, which is the Bank’s foremost technological offering in the European market. As previously stated, activity in commodities and interest rates has greatly deteriorated due to the persistent global economic instability and volatility experienced this semester, as corporates are awaiting renewed economic stability.

The collaboration with the Corporate and Project Finance team for deal origination through financing has proven to be a consistent, tried and tested interest rate hedging origination pipeline and is the main revenue source in times of economic volatility for this underlying risk exposure.

The Corporate Derivatives Desk remains attentive and collaborates with its clients to ensure effective risk management, tailoring hedging solutions to adequately manage risk. With decades of combined experience in corporate derivatives, Haitong Bank’s Corporate Derivatives team has hedged billions in volume and continues to be a reference player in the Iberian market.

CONSTRUCTION & REAL ESTATE — PORTUGAL

MOTA-ENGIL

4.5% Sustainability-linked bonds due 2030

€ 95,000,000

Joint Global Coordinator

2025

HAITONG

SPORTS & ENTERTAINMENT — PORTUGAL

BENFICA SAD

Public Bond Subscription and Exchange Offers

€ 55,000,000

Sole Global Coordinator

2025

HAITONG

SPORTS & ENTERTAINMENT — PORTUGAL

FCP

Public Bond Subscription and Exchange Offers

€ 50,000,000

Sole Global Coordinator

2025

HAITONG

2H2025 Outlook

The outlook for the Corporate and Project Financing activity in the coming months remains positive, underpinned by a robust and diversified pipeline of new transactions, both geographically and sectorally. Several deals in the pipeline that have already obtained internal credit approval are expected to be completed during the second semester, allowing for the achievement of the annual business objectives. On the market front, lower interest rates following the ECB's eight rate cuts from June 2024 to June 2025 should support issuance activity across investment-grade, covered bonds, and high-yield, and help ease corporate refinancing pressure.

Portugal's Debt Capital Markets outlook for the second half of 2025 seems constructive, supported by improving credit metrics, benign investor demand, and a supportive macroeconomic backdrop, though tempered by remaining global uncertainties and specificities of the local market. Besides market volatility, which is expected to remain throughout 2025, influenced by geopolitical and economic uncertainty due to the imposition of tariffs by the US and regional wars, the Portuguese debt issuance market should continue to grapple with fierce competition from the banking sector.

Despite persistent challenges, the macroeconomic outlook is improving, with the economy demonstrating greater resilience. The M&A market is expected to sustain greater activity moving forward, driven by sector consolidation (notably in financial services and renewables), Recovery & Resilience Plan (RRP)-funded infrastructure, energy transition, and digital projects, alongside sustained tourism investment.

Haitong Bank's Corporate Derivatives desk expects an upturn in deal volume and revenues if economic conditions evolve positively over the coming semester, although with strong headwinds due to capital adequacy regulatory delays, such as the implementation of the Basel III Endgame regulations. The desk will continue to innovatively expand commercial relationships across growth sectors, particularly private markets, to diversify revenue streams and become more resilient to economic downturns and volatility. Additionally, the team remains focused on developing innovative solutions and deepening relationships with key strategic partners.

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 is sustained by an experienced 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, Mergers and Acquisitions (M&A), Debt Capital Markets (DCM), and Corporate Derivatives to large and medium-sized companies and investors active in Spain and/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 after completing numerous landmark transactions throughout the years.

This business unit also offers deposits to corporates, 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]

€3 mn

[1] *Source: Haitong Bank (Management Information June 2025; non-statutory figures)*

Activity Highlights

The Spain unit had a remarkable performance in the first half of 2025, having recorded noticeable growth, 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, with a higher number of lending operations in which the Spain unit participated. The Corporate and Project Financing activity was developed within a very discerning credit risk approach, by selecting well-known industries with conservative leverage levels and keeping a tight control over the credit risk exposure of the Branch's lending portfolio.

This business unit's positive financial performance has also been reinforced by a strong year in the **DCM** area, with the completion of an important set of new operations with Técnicas Reunidas, including the issuance of long-term bonds and commercial papers programs.

The **Deposits** activity also grew substantially during the first half of 2025, especially in the retail segment (via online platforms), with the Spain unit reaching a volume of deposits exceeding EUR 730 million.

This activity growth propelled the unit's revenues, while the operating costs were kept contained, fuelling a strong Net Income growth.

FIG — CAYMAN ISLANDS / TURKEY
Ziraat
DPR Senior Loan
US$ 1,000,000,000
Lender
2025
HAITONG

CONSUMER GOODS/AGRIBUSINESS — SPAIN
PALACIOS
El secreto de una familia
Senior Secured Loan
€ 285,000,000
Co-Arranger
2025
HAITONG

CONSTRUCTION & REAL ESTATE — SPAIN
metrovacesa
Term Loan and RCF
€ 294,700,000
Lender
2025
HAITONG

OIL & GAS — MEXICO
PEMEX
Term Loan B
€ 1,500,000,000
Lender
2025
HAITONG

CONSTRUCTION & REAL ESTATE — SPAIN
TECNICAS REUNIDAS
5.15% Bond Issue due 2030
€ 93,700,000
Joint Bookrunner
2025
HAITONG

2H2025 Outlook

The Spanish economy is expected to continue being the fastest-growing economy in the Eurozone in the second half of 2025, propelled by strong domestic investment and growth in tourism. Notwithstanding the above, the uncertainty generated in global trade due to the US tariff policy is likely to constrain the corporate market, thus hindering M&A activity in the second half of the year.

Corporate and Project Financing credit activity is expected to follow a positive trend, but in a scenario of stable interest rates in the Eurozone, which is likely to hamper growth in the second half of the year.

Cross-border M&A with China is expected to pick up later in the year since Spain continues to be one of the most strategic markets in the Eurozone 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.

Despite the uncertainties related to the global economy, the Spain unit is expected to have another positive year in 2025.

Poland

Overview and Strategy

In alignment with the Haitong Bank Group's strategy, the Poland unit has been consistently delivering a solid performance for the past several years.

The Poland unit's strategy is to connect clients and business opportunities across its broad network in Poland, Central Europe and China. As a fully licensed branch, and with a dedicated team of around 40 professionals based in Warsaw, this unit continues to support its clients' activities by providing high-quality and efficient services with high standards, following the market best practices.

The team in Poland is an integral part of Haitong Bank's global operations, leveraging on the Group's extensive global experience, an established investor base, and significant international reach. Its business model is based on a balanced revenue mix – in particular, over the years, the Poland unit has showcased its expertise in Mergers and Acquisitions (M&A), facilitating cross-border transactions between China and neighbouring countries in Central Europe.

The Poland unit offers a complete range of investment banking services, including Corporate and Project Financing, M&A Advisory, Fixed Income, Debt Capital Markets (DCM), and Corporate Derivatives for large and medium-sized enterprises and investors operating in Poland. In addition, this business unit has relevant Treasury activity, raising deposits with local corporate and financial institutional clients and playing a crucial role in the Bank's funding strategy.

BUSINESS LINES

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

BANKING INCOME [1]

€5 mn

[1] *Source: Haitong Bank (Management Information June 2025; non-statutory figures)*

Activity Highlights

The first half of 2025 was marked by a challenging and unpredictable environment, particularly due to the ongoing war in Ukraine, which affected the economy and investors' preferences. On the other hand, the recently emerged tariff wars, whose outcome remains uncertain, are adding to the complexity of the market outlook. The economic growth within the EU is slowly recovering and the perspective for Poland looks more positive than at the beginning of the year.

On a brighter note, inflation in Poland has been brought under control again. The National Bank of Poland has started cutting interest rates, with a total reduction of 75 basis points thus far. Market analysts anticipate an additional 100 basis point cut over the next 12 months.

Throughout 2025, the team in Poland has strategically focused on expanding the balance sheet by providing short and medium-term lending and investing in corporate bonds originated by the unit. The still high-interest rate environment has significantly contributed to the Polish unit's remarkable net interest income and the strong performance of the Treasury activities. Clients' deposits remain robust, providing a solid foundation for further balance sheet growth within the unit.

Moreover, the Poland unit has continued to develop relationships with both existing and new clients. The unit's investment banking activities have primarily revolved around financing through the Corporate and Project Financing and the Debt Capital Markets Departments, as well as advisory services offered by the M&A Department. These services have been complemented by products from the Treasury Department, including derivatives related to financing.

The **Corporate and Project Financing** business in Poland continued to grow during 1H2025, through the provision of financing and corporate guarantees to corporate clients in Poland. The portfolio is diversified among industries such as TMT, Industrial Chemicals, Real Estate, Construction, Transportation, Leasing and Pharmaceutical. The Branch's efficient management of the outstanding loan portfolio remained a priority under the turbulent environment. An active monitoring process was implemented, in close cooperation with Senior Bankers and the local Risk department, aiming at ensuring the stability and profitability of the Bank's credit operations in the region.

In the first half of 2025, the Poland unit successfully executed a new credit transaction in the financial services and moved on to manage additional credit and guarantee transactions in the pharmaceutical and construction sectors.

The Poland unit's **Debt Capital Markets** (DCM) business was focused on the origination and execution of domestic bond issues as well as the facilitation of the outstanding bonds arranged by Haitong Bank. Current market conditions of the DCM market remained under pressure from over-liquid commercial banks and consequently, very competitive terms of financing offered to companies in Poland. Despite the National Bank of Poland's recent interest rate cut, the cost of financing in Poland remained at a high level. The expectation about a further decrease in interest rates has resulted in several postponed financings, to be arranged later in the year. Despite the Polish domestic debt market being dominated by floating-rate bonds, the number of new issues in 1H2025 deteriorated to the lowest level in the last two years. On the other hand, the domestic debt market capacity increased with several issuances over EUR 250 million allocated among institutional investors without the support of commercial banks.

In the first half of 2025, the Warsaw DCM team arranged bond issues, acting as a sole arranger or co-arranger with the biggest domestic banks in Poland for companies in the real estate and construction industries. Haitong Bank's underwriting capacity enabled issuers to maximise the size of the issues and to optimise the cost of capital raised from the market.

In the first half of 2025, the European **M&A** market suffered from the slowdown of the main EU economies, especially Germany, whose economy contracted for the second year in a row. The Polish M&A market reflected the overall European market sentiment, with signals that the M&A market activity has bottomed out in the EU and particularly in Poland.

The M&A team in Warsaw faced material challenges, mainly the very competitive M&A advisory market in Poland, the weaker capacity of Chinese companies to grow through acquisitions in Europe, fewer transactions due to a mismatch between sellers' valuation expectations and the interest of potential buyers, and political tensions globally.

In the first half of 2025, the Warsaw M&A team successfully closed a landmark transaction, of around EUR 244 million, for the acquisition of 100% of the shares of the Invia Group – a European travel group with operations in Germany, Austria, Switzerland, the Czech Republic, Slovakia, Hungary, and Poland. The Haitong Bank M&A team worked as a financial advisor to WP Holding, a technology-focused holding company operating across the online verticals of travel, media, and consumer finance. Apart from that, the M&A team in Warsaw is currently working on several projects from various sectors, which are at different stages of development.

In conclusion, the first half of 2025 was positive for Haitong Bank's Poland unit, with a special focus on the unit's strategic priority of increasing the balance sheet size.

FIG POLAND

MOBILIZE FINANCIAL SERVICES
RCI Banque S.A.
Branch in Poland

Loan Facility

PLN 150,000,000

Lender

2025

HAITONG

TMT CZECH REPUBLIC,CHINA / POLAND

WP
invia Group

Financial Advisory to WP Holding in the acquisition of 100% shares in Invia Group

€ 240,000,000

Financial Adviser

2025

HAITONG

CONSTRUCTION & REAL ESTATE POLAND

ROBYG

Bond Issue

PLN 250,000,000

Co-Arranger, Joint Bookrunner, Dealer

2025

HAITONG

CONSTRUCTION & REAL ESTATE POLAND

JHM® DEVELOPMENT

Bond Issue

PLN 60,000,000

Sole Arranger

2025

HAITONG

2H2025 Outlook

In the second half of the year, the Polish economy is expected to continue its recovery and maintain its resilience to external shocks. However, Europe and the world continue to see heightened geopolitical risks related to the ongoing war in Ukraine and the conflict in the Middle East. These events, as well as the tariffs war, constitute an important risk factor to the global economy. The development of the future economic conditions in the Eurozone and the German economy, as well as the outlook for the global economy, are key factors for the unit's future development.

The expected 2025 results provide the basis to look forward with optimism to the future of the Poland unit. In 2025, the team will pursue the expansion of the unit's balance sheet by providing short and medium-term lending and investments in corporate bonds. Additionally, the M&A and DCM teams closed some of the mandates signed in 2024, which will materialise in the 2025 revenues. The high-interest rate environment continued to support a solid net interest income result in the first semester of 2025, and this trend is expected to continue until year-end. On the other hand, the strong local deposit base from local customers will also allow the unit to fund a substantial portion of the local balance sheet.

The outlook for the Corporate and Project Financing activity appears positive for the remaining half of 2025. The ongoing mandates refer to both credit facilities and guarantee lines in the Construction, Retail and Pharmaceutical sectors.

The domestic bond market will remain under the influence of high pressure from domestic commercial banks, relatively high interest rates and inflows of funds to debt portfolios. A continuous positive inflow of funds to debt portfolios has been observed for over a year, which will lower bond yield expectations and attract new bond issuers.

The M&A market is expected to gradually improve in 2025, with ongoing projects in the automotive, waste management, IT, entertainment, and food sectors.

United Kingdom

Overview and Strategy

Haitong Bank's UK unit leverages on its in-depth understanding of the UK and international markets to focus on two strategic pillars: Corporate and Project Financing and Mergers & Acquisitions (M&A). Serving a wide range of clients across the UK and beyond, the unit offers tailored guidance through the complexities of financial transactions and cross-border deals.

The Corporate and Project Financing business delivers comprehensive financing solutions across a wide range of industries, encompassing corporate loans, project and acquisition financing, and asset-backed lending. In serving multinational corporations, institutional investors, and private equity firms alike, the team excels in originating, structuring, arranging, and funding complex transactions across diverse asset classes and jurisdictions. The mission is to provide clients with liquidity and strategic guidance to support growth at every stage of the business lifecycle.

The M&A business offers a full suite of advisory services for both buy-side and sell-side engagements. These include strategic advice on mergers, acquisitions, valuations, feasibility analyses, and deal structuring. The team plays a crucial role in helping global and Chinese corporates, as well as financial sponsors, explore and execute expansion strategies within the UK and across borders.

The UK unit stands as a reliable partner, offering a globally informed perspective underpinned by deep local expertise. By blending its strong presence in the UK with comprehensive international market insight, Haitong Bank's UK unit delivers tailored, flexible solutions that align with each client's specific goals. Its unwavering commitment to excellence and strategic value creation continues to strengthen its reputation as a trusted and forward-thinking financial institution.

BUSINESS LINES

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

BANKING INCOME [1]

€1 mn

[1] *Source: Haitong Bank (Management Information June 2025; non-statutory figures)*

Activity Highlights

The overall activity in 1H2025 remained positive, supported by lower interest rates and strong refinancing demand. **Corporate and Project Financing** activities have shown robust momentum throughout the first half of the year. The sharp rise in refinancing transactions seen in 2024 is expected to continue, driven by widespread demand as many company's leaders have indicated a need for additional funding in 2025.

Repricing is also expected to persist, underpinned by reduced borrowing costs and lower bond yields. In the UK, acquisition finance deal volumes have slowed in recent years, despite a clear shift towards increased activity in the project finance and leveraged finance markets.

In the first half of 2025, the unit was actively engaged in a broad spectrum of infrastructure and project financing opportunities, as well as a steady flow of corporate refinancing mandates. Notably, the unit secured the approval to finance both the construction and long-term operation of a natural gas pipeline, an essential asset supporting energy transition strategies and regional energy security. In parallel, the unit also arranged a refinancing package for a chemical manufacturing company specialising in materials critical to tyres and battery technologies. These materials not only support the electrification trend but also contribute to enhanced industrial efficiency in alignment with sustainability goals.

These transactions reflect the unit's continued commitment to supporting clients across diverse industries, ranging from energy and utilities to advanced manufacturing. By maintaining a sector-agnostic, full-product approach, the UK unit reinforces its role as a strategic financing partner, helping clients navigate evolving market demands and sustainability imperatives.

Regarding **M&A** activity, in 1H2025, the UK market continued to show robust momentum following a strong 2024, with deal activity remaining resilient despite ongoing geopolitical and economic uncertainties. Notable activity was observed in the Financial Services sector, supported by consolidation trends, operational streamlining, and ESG-driven investment mandates. The TMT sector maintained its leading position, fuelled by sustained demand for AI integration, cybersecurity capabilities, and scalable software platforms. Healthcare continued to attract strong interest due to demographic trends and innovation in Biotech and Medtech. Energy transition and decarbonisation efforts further propelled dealmaking in the Energy and Infrastructure space, with a marked uptick in private capital participation.

The UK unit's M&A activity remained highly active across multiple jurisdictions, advising on strategic transactions in sectors including automotive, consumer goods, healthcare, industrials, chemicals, energy, and technology. The team supported both inbound and outbound mandates, working closely with the remaining Haitong Bank teams. Highlights included cross-border buy- and sell-side engagements, pre-deal structuring, and target identification for clients ranging from corporates to private equity.

2H2025 Outlook

Looking ahead to the second half of the year, modest growth is projected for the third and fourth quarters, supported by several favourable macroeconomic factors: a downward trend in interest rates, easing inflation and consumer price pressures, and increased government spending as signalled by UK parliamentary fiscal planning. However, growth remains partially constrained by a persistently negative net export position, which continues to weigh on overall output when compared with performance in the past two years.

Inflation, while still elevated at 3.4%, 1.4 percentage points above the Bank of England's 2% target, is showing signs of moderation. The Bank of England has maintained its base rate at 4.25% following a reduction that began in July, which is expected to further support domestic business activity. This rate environment is likely to enhance funding affordability and stimulate corporate borrowing, M&A, and infrastructure financing. The improving macroeconomic backdrop is therefore poised to have a positive impact on the banking and credit markets in the UK through the remainder of 2025.

For the UK unit, the outlook for the second half of 2025 remains optimistic, underpinned by a healthy pipeline of transactions and a continued strategic focus on strengthening the Bank's competitive position. The UK unit will continue expanding its client base, with this effort being supported by growing momentum in the Financing and M&A space, creating ample opportunities for further engagement.

Building on this strong foundation, the team will maintain high activity levels in the second half of the year by delivering tailored solutions. With a flexible, client-focused approach, the UK unit remains committed to providing high-quality services that support sustainable growth.

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 corporate and investment bank headquartered in Portugal. This unit also enhances connectivity within Haitong Group, converting synergies and business opportunities into dynamic business growth.

The Macau unit currently 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
- ✔ Fixed Income
- ✔ M&A Advisory

BANKING INCOME [1]

€2 mn

[1] *Source: Haitong Bank (Management Information June 2025; non-statutory figures)*

Activity Highlights

In the first half of 2025, the unit was focused on its core segments - Debt Capital Markets, Fixed Income, and M&A. However, performance was impacted by persistent global economic tensions, increased regulatory oversight concerning Chinese Local Government Financing Vehicles (LGFVs).

These challenges led to a tangible decline in transaction volumes and a reduced number of executed deals. In response, the unit has laid down the groundwork for selective recruitment in key areas to enhance business development. The Branch is also actively engaging in dialogue within the Group to foster and perpetuate the collaborative dynamics, an important driver of the Branch's success within the broader institutional framework of our Group.

The unit's **Debt Capital Markets** business activity reported a significant decrease in its activity in the period. A number of factors led to a subdued pipeline in this business area and to reduced activity. These include higher offshore financing costs compared to onshore financing, evolving regulatory barriers, such as limits on short-term issuance and stricter scrutiny of Stand By Letters of Credit (SBLC) and keep well structures.

Regarding **M&A** activity, the Bank acted as the exclusive buy-side financial adviser to PCBL Chemical Limited in the acquisition of advanced non-furnace carbon black technology from Ningxia Jinhua Chemical Co., Ltd., India's largest carbon black manufacturer and fourth largest worldwide, listed on the Mumbai stock exchange.

On the other hand, the **Fixed income** and Treasury activities provided modest but stable support to the income base.

Commercially, the unit maintained client engagement through continuous dialogue and origination work. New mandates were locked in and are expected to materialise during the second half of 2025, depending on market conditions.

SOE — CHINA	SOE — CHINA	INDUSTRIALS — INDIA / CHINA
QINGDAO JIMO DISTRICT URBAN TOURISM DEVELOPMENT AND INVESTMENT CO., LTD. (青島市即墨區城市旅遊開發投資有限公司) (incorporated with limited liability in the People's Republic of China) U.S.$100,000,000 6.9 per cent. bonds due 2027 Issue Price: 100.0 per cent.	海通恒信 HT UniTrust	PCBL CHEMICAL JH
6.90% Bonds due 2027	3.00% Bonds due 2028	Financial Advisory to PCBL in the acquisition of Advanced non-furnace Carbon Black Technology
US$ 110,000,000	**¥ 1,000,000,000**	
Placing Agent	Placing Agent	Exclusive Buy-Side Financial Advisor
2025	**2025**	**2025**
HAITONG	HAITONG	HAITONG

2H2025 Outlook

The outlook for the second half of 2025 remains cautious, with the focus being on achieving positive results. Despite the tightening of the regulatory framework, Local Government Financing Vehicles (LGFVs) are expected to remain active amid sustained refinancing needs, which are estimated to continue rising over the course of this year. This fundamental demand should underpin the unit's gradual performance recovery.

Therefore, the Macau unit will continue to prioritise execution readiness and proactive client engagement to capture emerging opportunities, as the team will remain focused on sourcing new projects and strengthening deal execution.

Brazil

Overview and Strategy

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

Haitong Brazil is headquartered in the São Paulo financial hub and has been operating in the country since 2000. The Brazilian unit, in line with Haitong Bank Group's strategy, provides a full range of financial solutions supported by a team with extensive experience in the Brazilian financial market.

The investment banking services include Corporate and Project Financing, 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 and include government and corporate bond portfolio management and funding, raising deposits denominated in BRL with corporate clients, institutional investors and individuals (through online platforms).

The Unit serves businesses not only within Brazil, but also on a cross-border scale, capturing opportunities in Latin America.

BUSINESS LINES

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

BANKING INCOME [1]

€7 mn

[1] *Source: Haitong Bank (Management Information June 2025; non-statutory figures)*

Activity Highlights

During 1H2025, the Brazilian economy performed better than expected across several sectors, despite the spike in the FX rate at the beginning of the year. This was mainly due to a decreasing unemployment rate, workers' income and increased government spending, which has supported Brazilian GDP growth in the last quarters. However, the macroeconomic environment faced mounting pressure driven by persistent inflation levels, leading to higher interest rates.

The persistence of a fragile fiscal environment raised concerns in the markets, particularly due to increased public spending and difficulties in consolidating structural reforms that could anchor long-term expectations. As a result of a less favourable inflation outlook and, mainly, the worsening of expectations for meeting the inflation targets for 2025 and 2026, the Central Bank of Brazil tightened its monetary policy by raising the base rate (Selic) to 15.0 % p.a..

Under this scenario, the Brazilian financial market experienced a highly volatile period, reflecting both internal and external uncertainties. Nevertheless, despite the fiscal challenges, the Brazilian Real has appreciated in recent months, similarly to the Euro, mainly driven by the global weakening of the US dollar and a consequent large inflow into the Brazilian market.

In the fixed income market, interest rates rose in the first quarter and peaked as the Central Bank of Brazil signalled the end of the tightening cycle described above. After the peak, closer to the end of the semester, future rates began to decline and capture potential interest rate cuts that might occur next year. In the private debt capital markets, large and medium-sized companies continued to explore investors' strong appetite for issuances to conduct their liability management.

The banking system, while robust in terms of liquidity and capitalisation, faced a more challenging environment during the period as impairment rates showed a slight upward trend. Nevertheless, the Brazilian banking system managed to absorb these impacts and continued to play a crucial role in supporting the productive sector, though with greater selectivity in granting credit.

Given the Brazilian economic environment and the competitive conditions of the local financial system throughout 1H2025, Haitong Brazil developed its activity more conservatively, following the guidelines assigned 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. Complementing this approach, Haitong Brazil enhanced the monitoring of the outstanding loan portfolio.

Similarly to previous years, the Corporate and Project Financing activity faced challenging conditions due to pricing pressure and high competition in the lending market. Banks continued to narrow their margins in the corporate segment, fuelled by a very liquid DCM market where investors have driven down interest rates.

Corporate and Project Financing activity was positive during 1H2025 despite the high interest rates, narrow margins and repricing of some transactions. During this period, in addition to exploring opportunities in Brazil, the area continued to look for transactions with a positive risk profile in other Latin American countries. The banker’s activity in connecting with Brazilian companies was complemented by Haitong Brazil’s effort to engage with other financial institutions in syndicated transactions.

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

The **Corporate Derivatives** team focused its efforts on FX products and broadening the client base. A new automated system for quoting FX transactions is currently under development and can potentially expand the area's reach in the near future.

The **Fixed Income** activities are taking place in a high-interest rate environment. The unit has been successful in building and managing a portfolio of government treasuries and corporate bonds, thus contributing to the Bank's results.

Additionally, through its **Treasury** division, the Bank manages its liquidity and provides funding to business areas through resources raised in BRL from local investors, fully financing the local balance sheet. The assignment and recent reaffirmation of ratings by S&P ("BB" on a global scale and "brAAA" on a local scale) have contributed to the strategy of accessing investors.

2H2025 Outlook

While 1H2025 continued to expose some vulnerabilities that were already known in the Brazilian economy, including an unstable fiscal environment, inflation, and high volatility in financial markets, it also showed a strong labour market and robust advances in the GDP across several sectors, including the already well-positioned agribusiness and hard commodities (especially iron ore and oil & gas). In other words, the resilience of key economic sectors ensured positive economic performance, despite the challenging scenario.

Moreover, the Brazilian banking sector has undergone significant changes due to the increasing presence of technology and innovation, increased competition, regulatory complexity, integrated finance, as well as changes in customer and investor expectations that have put pressure on traditional business models.

Looking ahead towards the end of 2025, a more stable macroeconomic environment and increased market confidence will depend on actual progress in fiscal consolidation, alongside efforts to control inflation and create a more predictable investment environment, which encompasses the effects of the trade war. Although challenging and highly competitive, the Brazilian financial system remains solid and well-positioned to support the country's development. Under this scenario, the Corporate and Project Financing Team expects to increase the closing and disbursement of new transactions this year. Treasury expects to continue exploring opportunities with government securities and lowering the funding cost, while properly managing liquidity. As for M&A, following the focus on advisory on the sale of assets, two transactions are underway with a favourable outlook for completion in the next quarters.

France

Overview and Strategy

The Paris Representative Office (“Paris Office” or “Office”) was established in August 2022. Situated in the heart of Europe, the Office plays a critical role in connecting Haitong Bank with its stakeholders in France, China, and the broader European region.

As a representative entity, the Paris Office’s mission is very broad. It acts as a liaison with Chinese, European, and other international financial institutions, fostering relationships that enhance Haitong Bank’s influence in global markets. It also serves as a vital point of contact for existing and prospective clients, providing support, identifying opportunities, and driving business growth.

The Paris Office maintains strong connections with Chinese institutions in France, therefore strengthening the Bank’s role within the Chinese community and 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, promoting Haitong Bank’s expertise and expanding its 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 contributions, mainly to the Bank’s M&A area, the Paris Representative Office is instrumental in cementing Haitong Bank’s presence in Europe, driving cross-border cooperation, and achieving long-term growth objectives.

Activity Highlights

In 1H2025, the Paris Office played a key role in the completion of two transactions in the secondary market, supporting the Lisbon headquarters team with client origination through active relationship management with local banks and counterparties. The Office’s contributions enabled the addition of two opportunities to the Bank’s already diversified portfolio, now encompassing the energy, telecom, consumer goods, and automotive sectors across Europe.

Leveraging on its own expertise and the Bank’s international talent, the Paris Office team also provided insights for Chinese corporates to better understand the European equity market and available opportunities. In collaboration with the parent company, the team organised a series of on-site investment research meetings with major listed companies in France for leading Chinese asset managers. The team also hosted several delegations, mostly from Chinese companies and clients with high-quality assets.

The team participated in major industry events organised by leading institutions such as the French Chamber of Commerce and Industry in China, hosted in Lyon and Marseille, and Paris Europlace, hosted in Paris. The team’s coverage of finance events across the French national territory, gathering up to 600 financial peers, fostered Haitong Bank's active presence and involvement in European markets.

On the back of 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 introduced potential investment and business opportunities to government-supported entities. By doing so, the team continued to expand the Bank’s role as a bridge for cross-border financial services and partnership opportunities within the dynamic Sino-French economic landscape.

2H2025 Outlook

In 2025, the global economic environment has become increasingly uncertain, driven by the escalation of a new round of trade tensions. The resurgence of protectionist measures among major economies has disrupted global supply chains and dampened investor sentiment. These developments are reshaping the outlook for cross-border investment and trade, prompting the team to reassess risk exposure and strategic priorities for the year ahead.

Against this backdrop, the Paris Office will continue to support the Lisbon headquarters by focusing on sectors with relatively stable demand and low recovery risk. The team sees continued opportunities in areas such as fibre infrastructure and shipbuilding, where underlying demand remains resilient despite broader macroeconomic volatility.

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

Fixed Income

Overview and Strategy

Haitong Bank's Fixed Income unit manages both the banking book and trading portfolios, while also acting as a "product factory" and 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. The unit's core activities include:

- Banking Book Management;
- Trading / Flow;
- Syndication; and
- Fixed Income 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. At the same time, it has deepened its footprint in China and Asia, with a targeted focus on Chinese products. This approach positions Haitong Bank as a leading arranger in Chinese overseas bond issuance and strengthens its role as a bridge between Asian and global 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

- ✔ FI Banking Book Management
- ✔ FI Trading and Market Making
- ✔ Distribution to Institutional Clients
- ✔ OTC Derivatives to Institutional Clients
- ✔ Syndication

BANKING INCOME [1]

€6 mn

[1] *Source: Haitong Bank (Management Information June 2025; non-statutory figures; Includes both Portugal and Spain's Fixed Income banking income)*

Activity Highlights

During 1H2025, bond markets experienced high volatility mainly due to changes in the US economic and geopolitical outlook. Inflation eased in the US and Europe during the first half of the year, but the FED adopted a different stance compared to the ECB. The ECB reduced the benchmark deposit rate by 100 basis points to 2% in June 2025 and signalled a possible pause of further easing in 2H2025. The US government's decision to impose import tariffs led to a significant upside risk for future inflation, despite resilient economic activity in 1H2025. The FED decided to keep the target range of the benchmark interest rates unchanged at 4.25% to 4.50%, and limited space for significant rate cuts in 2H2025. High Yield spreads traded in a range of +112/-36 basis points versus the end of 2024, and Investment Grade spreads in a range of +30/-5 basis points.

An increasing pressure on the independence of the FED added more volatility to bond markets, with the White House pressing the Federal Open Market Committee (FOMC) to lower interest rates on a large scale, despite its legal mandate to maintain price and employment stability. The yields of long-maturity US Treasury securities were also affected by the approval of a fiscal bill, which added USD 5 trillion to the debt ceiling and a USD 3.3 trillion budget deficit over the next 10 years.

The new German government also approved a new fiscal bill in 1H2025, which included a constitutional change in the limits of defence-related spending. With the growth outlook in Germany and fiscal deficits in Germany and France, the yield curves in Euros also steepened to the highest since 2019. Risk appetite remained high in European credit markets, and the spreads of 5-year Crossover (high-yield credit) remained close to the 2024 levels (310 basis points) at 282 basis points as of the end of June 2025.

Banking Book management

In accordance with the objectives set for the banking book, the activity grew 11% YoY in 1H2025. The team made some additional investments when volatility peaked and wider spreads were observed in credit markets in 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. Therefore, the team was able to outperform the benchmark: the Benchmark Euro Aggregate posted gains of 0.84% in 1H2025 (down from 2.63% in 2024). The US equivalent generated gains of 4% (compared to 1.25% in 2024).

Trading and Market Making

In the US, the new administration did not implement the pro-business and pro-growth policies that were expected, instead focusing on import tariffs, imposed on all countries, contributing to a higher volatility in rates and stocks, which rose more than threefold during March and April.

The uncertainty on the impact of US policy on growth and inflation led to a "wait and see" mode among most investors and the FED alike, with accounts focused on the front end and new issues. Regarding fundamentals, most companies have demonstrated strong resilience, with the exception of certain sectors, such as the automotive sector. Inflows into the asset class remained strong, with spreads performing well for most of the semester.

In this context, trading activity continued to perform better on the credit side, with increased relevance of Asian names in the global performance of the area, while directional rate bets have proven more difficult in this volatile environment. Curve trades and spread trades have performed better.

Syndication and Institutional Sales

1H2025 was extremely volatile and marked by the US tariff policy. Credit spreads widened and then tightened to the previous levels. Equity markets fell hard and then recovered all the losses. Against the backdrop of economic volatility, the syndication activity was concentrated on well-known Iberian names.

In 1H2025, the Syndication/Sales team engaged in several transactions, including:

- A Joint Lead Manager Role in Técnicas Reunidas’ 5.15% 2030 bond in the amount of EUR 93.7 million;
- A EUR 27.7 million Tap for Técnicas Reunidas’ 5.4% 2028 bond;
- A Public Bond Offering for Mota Engil of EUR 95 million, with maturity in 2030.

Throughout the year, the Sales team successfully expanded its base of active institutional clients, maintaining a strong presence in the securities flow business, with a focus on commercial paper (in Portuguese or Spanish format) placements for clients like Greenvolt, Mota Engil, Técnicas Reunidas, Visabeira and CUF.

2H2025 Outlook

The second half of 2025 will continue to be shaped by the ongoing tariff war and uncertain impacts in global economic and geopolitical developments. Interest rates are expected to remain volatile due to the unclear consequences of the US tariff policy on economic growth and inflation forecasts. This uncertainty has led to a hawkish pause in the rate-cutting cycle in both Europe and the US, with future monetary policy moves likely to remain data-dependent. Macroeconomic uncertainty and future impact on different economic sectors may pose challenges, particularly in terms of credit spread volatility.

The Fixed Income team will maintain a conservative approach to banking book management, remaining attentive to market data releases and geopolitical events. The team will continue to adhere to key principles, including credit quality, diversification, and low concentration.

Regarding the Trading Book, the focus will be on credit trading and securities market-making to enhance client flow, as well as on interest rate strategies, aiming to capitalise on expected market volatility.

For Syndication and Sales activity, despite some volatility, a generally positive environment for primary market issuance is anticipated. However, this outlook may be tempered by a potential shift in investor behaviour amid prolonged uncertainty. Furthermore, as the activity is mainly focused on Iberian Corporate clients, a strong execution pipeline for the remainder of the year is not expected.

Haitong Global Asset Management

Overview and Strategy

Haitong Global Asset Management, SGOIC, S.A., a fully owned subsidiary of Haitong Bank, S.A., underwent a transformative expansion, which started in 2022 with the merger and integration of Haitong Bank's Asset Management Division into the existing private equity company. This strategic integration marked a major milestone, significantly enhancing the scope and diversity of the company's product offerings. The expansion also enabled the introduction of innovative investment strategies and the launch of new funds, solidifying HGAM’s position in the asset management and private equity sectors.

HGAM holds Assets Under Management (AUMs) totalling EUR 134.2 million in two private equity funds and several different mandates and asset portfolios. The Company’s strategy is centred on delivering sustainable growth and long-term value through a combination of innovation, risk management, and client-centric solutions. Key pillars of this strategy include:

- **Client-Focused Solutions:** creating tailored investment strategies to meet each client’s 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 serve our clients better; and
- **Operational Strength:** ensuring secure and efficient investments through strong governance, risk management, and compliance.

By leveraging on the Group's robust expertise in Asian markets and established track record in Europe, Haitong Global Asset Management combines global insights with specialised local knowledge. The company oversees a diverse portfolio of mandates and 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 25 years of investment experience, offering a competitive edge in growing AUM. This depth of expertise positions Haitong Global Asset Management as a trusted partner for clients seeking tailored and innovative investment solutions.

BUSINESS LINES

- ✔ Asset Management
- ✔ Private Equity

BANKING INCOME [1]

€1 mn

[1] *Source: Haitong Bank (Management Information June 2025; non-statutory figures)*

Activity Highlights

Most global markets posted solid gains in the first half of 2025, though the path was far from smooth. Early in the year, investors quickly tempered expectations for imminent rate cuts amid stubborn inflation and renewed trade tensions, including new US tariffs. Still, robust economic data – notably strong job growth and resilient consumer spending – helped ease recession fears and revived hopes for a soft landing. In Europe, the picture also improved: inflation cooled, real wages turned positive, and business confidence rebounded after the previous year's cost-of-living shock.

The other side of this continued growth was sticky inflation. Although price pressures moderated, they remained above target in many economies, particularly in the services sector. Central banks, especially in the West, kept a tight stance, with markets adjusting to the likelihood of higher rates for longer and fewer cuts than expected.

Equity market gains were not broad-based. Strength was concentrated in large-cap names, particularly in US growth stocks. In 2Q2025, growth indices returned nearly five times more than value peers, while small-cap segments underperformed, with some posting losses. Bond investors faced another difficult stretch, with 10-year Treasury yields swinging between 4% and 4.5%, leaving core fixed income returns mostly flat or negative.

AI-linked companies and the "Magnificent 7" tech giants dominated headlines. NVIDIA surged around 45%, while others, such as Microsoft, helped propel growth indices toward record highs. However, dispersion within tech was notable, as some e-commerce and electric vehicles names lagged.

In light of these challenges, HGAM pursued a balanced strategy, leveraging opportunities in bonds—now offering attractive yield levels—while selectively managing equity exposures. ESG criteria remained central to decision-making, reflecting a long-term outlook and a commitment to meeting investors' sustainability and return objectives.

In terms of strategy, HGAM's managed portfolios have once again delivered good results. At the 11th edition of the annual APFIPP Awards – organised by the Portuguese Association of Investment Funds, Pensions and Assets – White Fleet III – Haitong Flexible Fund was awarded the prize for Best Flexible OIC Fund for the second consecutive year. This recognition highlights the team's ongoing commitment to delivering high-quality investment solutions and managing risk effectively. The fund continues to stand out among its peers for its consistent performance and robust diversification.

The company's AUMs reached EUR 134.2 million by the end of 1H2025, representing the continued trust of its investors. The team launched several initiatives towards the expansion of the range of investment solutions, among which:

- Six Collective Investment Companies (SICs), devoted to real estate development projects, mostly residential, in different maturity stages. The aggregate size of such SICs amounts to approximately EUR 180 million. The applicable documentation related to four out of the projected six SICs was successfully submitted to the regulator. The remaining two are expected to be filed during 2H2025;
- Cross-border merger of the Luxembourg-based White Fleet Funds into newly incorporated Portuguese-domiciled funds, expected to happen during 2H2025, after regulatory submission; this process is expected to produce substantial savings to the fund and its investors as well as ensure a better proximity between the latter and the management company;
- One UCITS fund based on defensive strategies aimed at more conservative investor allocations; fund to be filed during 2H2025; and
- One Treasury fund, addressing treasury corporate market demand, which is pending regulatory submission, is deemed to happen during 3Q2025.

The successful launch of these products is expected to increase the company's AUMs by approximately EUR 220 million, of which ca. EUR 17 million have already been registered at the beginning of July.

These initiatives underscore HGAM's ongoing efforts to offer global investment solutions tailored to the evolving needs of its investors.

The company's range of equity funds faced greater challenges than initially expected, influenced by restrictive monetary policies and regional growth disparities. The overall performance of HGAM's strategies is positive despite a specific situation, which produced a limited fund depreciation:

- **Haitong Private Equity Fund:** incorporated with a subscribed capital of up to EUR 50 million, and an investment mandate dedicated to the buyout/capital development market segment across Europe. Throughout the year, the fund did not realise additional investments, and no distributions or divestments were made, with HGAM focusing on managing the fund's current portfolio. Throughout the semester, the fund depreciated its valuation by 3.1%;
- **White Fleet Haitong Aggressive Fund (Equities):** despite a challenging equity environment in Europe, the team kept this fund focused on high-quality companies with strong growth potential, strengthening positions in the technology sector and, to a lesser extent, luxury consumer goods. The fund projected an appreciation of its value by +4.9%;
- **White Fleet Haitong Flexible Fund (Equities/Bonds):** this fund, awarded for "Best Flexible Fund," by APFIPP due to the robustness of HGAM's diversification strategy and prudent risk management, recorded a semi-annual growth of +3.71%;
- **Haitong China Bond Fund:** aims to invest mostly in USD-denominated and investment-grade rated Chinese issuers. The fund faced its first closing in 2024 and, since then, has been registering an attractive performance given the implied risk feature. During 1H2025, the fund posted a growth of +3.2%;
- **Carbon Blend Note:** based on quant strategies, the focus on management of a 60/40 target allocation structure mainly invested through ETFs, enabling a worldwide exposure to Equities and Fixed Income. The return achieved in 1H2025 was +5.5%;
- **Discretionary Portfolios:** during 1H2025, the Flexible and Aggressive discretionary portfolio management strategies posted performances of +3.99% and +6.21%, respectively (excluding performance fees), supported by favourable equity market conditions.

The focus on client satisfaction translated into a series of communication and engagement initiatives, including regular conference calls, in-depth market reports, and knowledge-sharing events. The company's "client-first" approach enhances transparency and fosters a culture of mutual trust. HGAM's team is committed to monitoring market trends to ensure it continues to meet client demands effectively and aims to further strengthen its presence both nationally and internationally, while remaining open to forming strategic partnerships when needed to enhance its competitiveness and growth.

2H2025 Outlook

After a first half of the year marked by unexpected events and volatility, visibility concerning the second semester remains low. Nevertheless, geopolitical disruptions – particularly those stemming from the new US administration – are unlikely to trigger the same level of market instability seen earlier in the year. Fiscal imbalances and elevated long-term yields are expected to act as natural constraints on more extreme policy shifts. Given this context, HGAM sees attractive opportunities in sovereign bonds, particularly if rate cuts from the Fed steepen the yield curve. High-quality credit remains appealing, backed by strong corporate balance sheets. In equities, Europe may offer relative value, supported by potential fiscal expansion and structural reforms, although risks from currency strength and trade disputes persist.

For the remainder of 2025, HGAM remains focused on disciplined execution across its private equity strategies, with an emphasis on real estate and corporate investments. The deployment of capital in ongoing projects remains a core priority. At the same time, new initiatives are being carefully assessed in light of changing market conditions.

HGAM is also pursuing the gradual expansion of its alternative investment platform through targeted partnerships and innovative structures, always prioritising sustainable and long-term value creation.

PEOPLE

Human Resources

Overview

People are at the heart of Haitong Bank's success and transformation. In the first half of 2025, Human Resources' efforts continued to promote a culture rooted in the Bank's core values of Transparency, Meritocracy, Perseverance, and Integrity, while supporting the Bank through a period of strategic change.

The merger between Haitong Securities and Guotai Junan Securities has been a key focus during this period, a transformative initiative that has shaped priorities across all areas. The Human Resources team has played an active role in ensuring workforce alignment, clear communication, and operational continuity throughout this transition.

In Portugal, the Bank successfully implemented a change in the pension plan management entity, following a decision by the Board of Directors in 2024. This change was the outcome of a review process aimed at optimising the pension plan provider, replacing the legacy group-based approach with a more tailored and optimised solution. All formalities were completed during the first half of 2025, with close coordination involving the Pension Plan Steering Committee and other relevant approval bodies.

Activity Highlights

As of June 30, 2025, Haitong Bank's total headcount stood at 314, reflecting a 5.1% decrease compared to December 2024. This reduction results primarily from a restructuring in Brazil, aimed at better aligning the local workforce with the region's business model and evolving strategic needs.

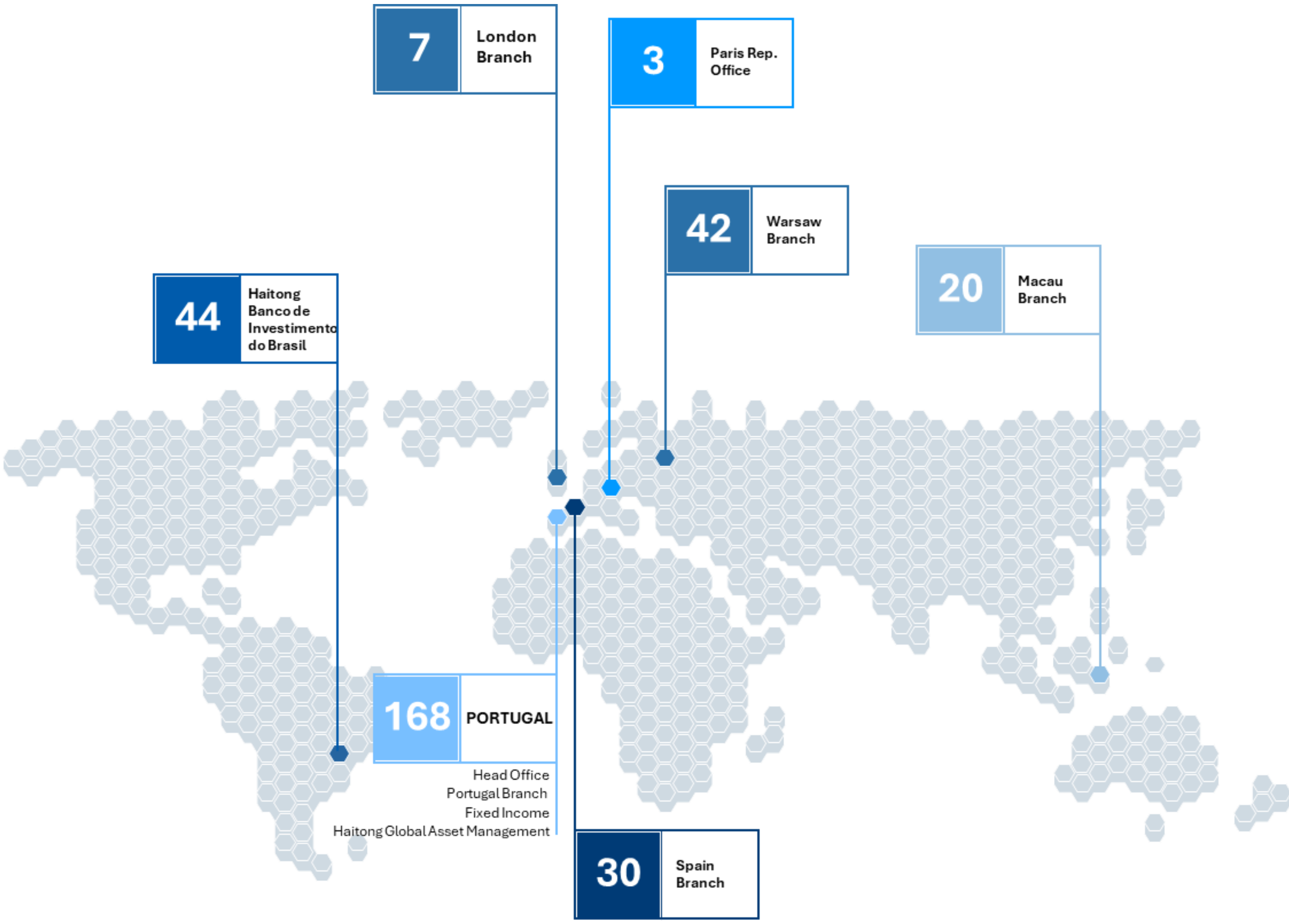
During the first half of 2025, the Bank continued consolidating its regional matrix structure. The focus shifted toward stabilising the Portugal Branch's integration with other regions, ensuring consistent business flows and enhanced coordination between the geographies and the Bank's Head Office. This approach enhances operational efficiency and strengthens alignment across the Haitong Bank Group.

HEADCOUNT

Jun 25	**314**	**-5.1%**
Dec 24	**331**	

Haitong Bank continued to invest in future talent through its dynamic annual internship programme, which spans all geographies. This initiative has proven to be highly effective in attracting young professionals, with a strong focus on retaining top-performing interns and integrating them into long-term roles within the Group.

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, shaping 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

Diversity and inclusion remain at the forefront of all HR initiatives. Women represent 39% of Haitong Bank's workforce, with a significant presence in senior leadership roles. The Board of Directors comprises twelve members, with an equal representation of Executive and Non-Executive Directors, including three women. This balance underscores the Bank's commitment to gender diversity and is aligned with the guidelines of Banco de Portugal and European regulators.

Geography	Avg age (years)	Avg length of service (years)	No. of Men	No. of Women
Portugal	44.0	16.0	97	71
Spain	45.2	13.7	21	9
United Kingdom	38.9	3.3	3	4
Poland	43.4	7.9	24	18
Brazil	46.3	11.8	31	13
Macau	34.4	2.3	12	8
France	34.7	1.3	3	0
HB Average Indicators	43.5	12.8	61%	39%

2H2025 Outlook

Looking to the second half of the year, Haitong Bank's Human Resources function will continue to support the Bank's evolving priorities, with a strong emphasis on those arising from the ongoing merger at the shareholder level. Key objectives include reinforcing workforce alignment, strengthening communication across regions, and ensuring that people-related initiatives remain closely linked to both strategic goals and regulatory requirements.

The Human Resources Department will remain focused on attracting and retaining high-quality talent, driving innovation, and supporting employee development within a culture that reflects the Bank's core values and promotes inclusion and performance excellence.

Social Responsibility and Sustainability

During 1H2025, Haitong Bank participated in several Social Responsibility initiatives, with emphasis on the following events.

In Portugal and as part of its Social Responsibility initiatives, Haitong Bank promoted the recycling of approximately 900kg of paper through its confidential document destruction service, contributing to the reduction of environmental impacts and to the promotion of sustainable practices.

In Poland, Haitong Bank supported the 9th edition of the *"Competition for the Best Thesis on the Contemporary Economic Cooperation between the Republic of Poland and the People's Republic of China"*, organised by the Polish-Chinese Business Council, by donating an award to the author of the winning thesis. This initiative aims to foster academic research and strengthen economic relations between the two countries.

Haitong Bank in Macau carried out several initiatives in the field of sustainability and social responsibility, including:

- **Lunar New Year Red Packet Recycling**: participation in the campaign "Recycling the red packets is very easy", organised by the Macau Environmental Protection Bureau, encouraging employees to deposit used red packets for recycling, helping to reduce paper waste.
- **"Light Off" Event**: participation in the global *Earth Hour* initiative by switching off non-essential lights for one hour, reinforcing awareness of energy conservation and climate change.
- **Printer Ink Cartridge Recycling**: continuation of the program for collecting and recycling used printer cartridges, contributing to the reduction of electronic waste and the promotion of a circular economy.
- **National Security Education Visit**: employee participation in an educational visit focused on national security, aimed at enhancing knowledge of security-related topics and fostering a stronger sense of civic responsibility.

These actions reflect Haitong Bank's ongoing commitment to environmental sustainability, community engagement, and the promotion of active citizenship values in the markets where it operates.

RISK

Risk Management

Governance

The 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. This body 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 are summarised below.

Risk Committee

The Risk Committee's mission is to continuously monitor the development and implementation of the Bank's risk strategy/appetite and verify whether they are compatible with a sustainable strategy in the medium and long term.

Assets and Liabilities Committee

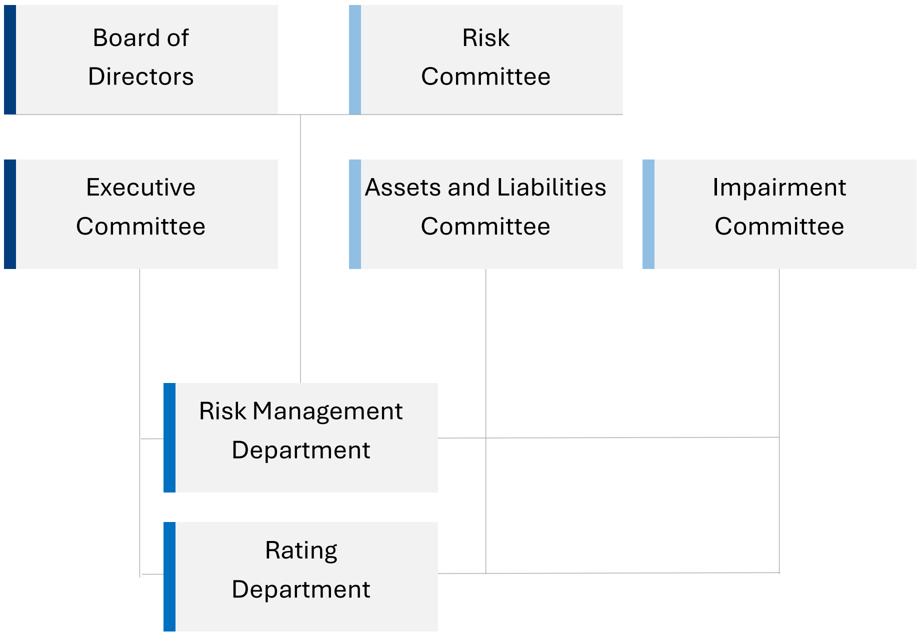
The Assets and Liabilities Committee's ("ALCO") mission is to advise the Executive Committee on the management of the Bank's assets and liabilities, including the oversight of capital and liquidity/funding planning, asset and liability risk management, internal pricing and investment policy, in alignment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

Impairment Committee

The Impairment Committee of Haitong Bank is responsible for analysing and proposing impairment amounts to be assigned to credit clients, subject to individual analysis.

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 integrates 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 DCM, Corporate and Project Financing, M&A Advisory, Fixed Income, Corporate Derivatives and Global 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 all its subsidiaries individually, aim 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 adequate 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 a deterioration of risk, 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 maximise credit recovery.

ESG Risk

The Bank assesses climate and environmental impacts when conducting its credit activity. Accordingly, the Bank has implemented an ESG Risk scoring model to identify clients bearing high ESG risk. Whenever a client is identified as potentially high ESG risk, further ESG due diligence is required and carried out, in order to verify the existence of measures to mitigate such risk, to attain the final ESG risk classification, which is embedded in the rating report. Thus, the ESG risk assessment integrates the documentation that supports the credit decision. Additionally, the overall exposure to "High ESG" clients is regularly monitored and reported to the management bodies of the Bank.

ASSET QUALITY

Loan Portfolio

Portfolio breakdown

In June 2025, the loan portfolio (gross exposure) amounted to EUR 768 million, which represents an increase of approximately EUR 44 million compared to December 2024.

Loan Portfolio Asset Classes and Geographic Breakdown (EUR thou*sand)*

	June 2025			December 2024		
	Domestic	International	Total	Domestic	International	Total
Loan Portfolio[1]	**234 874**	**533 346**	**768 220**	**237 900**	**486 432**	**724 332**
Specialized Lending	100 959	73 338	**174 297**	123 550	90 329	**213 879**
Corporate	74 393	429 957	**504 350**	54 632	346 713	**401 345**
Others	59 522	30 051	**89 573**	59 718	49 390	**109 108**

[1] *Gross of provisions*

Loan Portfolio Asset Classes by Industry

	June 2025				December 2024			
	Specialized Lending	Corporate	Others	Total	Specialized Lending	Corporate	Others	Total
TOTAL	**22.8%**	**65.6%**	**11.7%**	**100.0%**	**29.4%**	**55.5%**	**15.1%**	**100.0%**
Oil & Gas	0.0%	14.9%	0.0%	**14.9%**	10.5%	6.0%	2.7%	**19.2%**
Power	6.3%	5.8%	2.2%	**14.3%**	1.7%	13.9%	0.0%	**15.6%**
Telecoms	0.0%	11.0%	0.0%	**11.0%**	0.0%	7.9%	4.2%	**12.1%**
Transportation Infrastructure	7.9%	2.8%	0.0%	**10.7%**	9.1%	2.9%	0.0%	**12.0%**
Real Estate	7.0%	2.0%	0.5%	**9.5%**	6.4%	0.0%	0.5%	**6.9%**
Non-Bank Financial Institutions	0.0%	0.0%	8.2%	**8.2%**	0.0%	5.3%	0.0%	**5.3%**
Commercial & Professional Services	0.0%	5.0%	0.0%	**5.0%**	0.0%	5.2%	0.0%	**5.2%**
Automobiles & Components	0.0%	4.9%	0.0%	**4.9%**	0.0%	0.0%	5.1%	**5.1%**
Metals & Mining	0.0%	4.4%	0.0%	**4.4%**	0.0%	4.7%	0.0%	**4.7%**
Food, Beverage & Tobacco	0.0%	4.1%	0.0%	**4.1%**	0.0%	1.7%	2.6%	**4.3%**
Building Materials	0.0%	3.6%	0.0%	**3.6%**	0.0%	2.7%	0.0%	**2.7%**
Chemicals	0.0%	2.9%	0.0%	**2.9%**	0.0%	2.3%	0.0%	**2.3%**
Consumer Durables & Apparel	0.0%	2.6%	0.0%	**2.6%**	0.0%	2.2%	0.0%	**2.2%**
Rental & Leasing	1.6%	0.0%	0.0%	**1.6%**	1.7%	0.0%	0.0%	**1.7%**
Others	0.0%	1.1%	0.0%	**1.1%**	0.0%	0.7%	0.0%	**0.7%**
Construction & Engineering	0.0%	0.0%	0.8%	**0.8%**	0.0%	0.0%	0.0%	**0.0%**
Agribusiness & Commodity Foods	0.0%	0.5%	0.0%	**0.5%**	0.0%	0.0%	0.0%	**0.0%**

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 2025	December 2024
[aaa+; a-]	9.1%	10.2%
[bbb+; bbb-]	16.0%	11.0%
[bb+; bb-]	52.6%	59.3%
[b+; b-]	22.2%	19.5%

As a percentage of non-default-rated gross portfolio

Risk Indicators

Credit Risk Indicators (in EUR thousand)

	June 2025	December 2024
Loan Portfolio	**768 220**	**724 333**
Non-Performing Loans (NPL)	**12 490**	**6 939**
NPL Ratio	1.6%	1.0%
Impairment for NPL	**2 606**	**1 868**
NPL coverage	20.9%	26.9%
Gross Exposure	**2 597 576**	**2 480 354**
Non-performing exposures (NPE) (1)	**43 494**	**30 602**
NPE Ratio	1.7%	1.2%
NPE Impairment Coverage	25.4%	33.8%
Forborne Exposures (1)	**35 011**	**36 324**
Of which performing exposure (%)	68.2%	69.7%

[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.*

The Non-Performing Loans (NPL) ratio amounted to 1.6% in June 2025, in comparison to 1.0% in December 2024. This primarily resulted from the debt restructuring process involving a previously defaulted client. The exposure was reclassified from "Other Assets" to "Loans and Advances to Customers", which implied its inclusion in the NPL ratio. Previously, this exposure only impacted the NPE ratio.

The stock of NPE increased by EUR 13 million from December 2024 to June 2025, mainly due to increases in Financial Guarantees Exposure (+EUR 10 million).

Fixed Income Assets

Portfolio breakdown

The fixed income portfolio ended June 2025 with a net total of EUR 1,840 million, representing an increase of EUR 94 million when compared to December 2024.

Fixed Income Portfolio by Sector (EUR thousand)

	June 2025	December 2024
Total	**1 840 428**	**1 746 774**
Governments	1 241 901	1 121 788
Banks	83 194	78 147
Real Estate	65 890	87 397
Construction & Engineering	59 030	42 492
Automobiles & Components	55 965	57 539
Food, Beverage & Tobacco	36 118	25 582
Retailing	31 451	34 845
Non-Bank Financial Institutions	30 867	27 656
Power	27 854	44 231
Chemicals	26 639	27 256
Transportation	25 091	29 880
Metals & Mining	24 737	14 174
Oil & Gas	21 890	9 783
Health Care	21 771	21 517
Telecoms	21 407	27 985
Transportation Infrastructure	18 273	19 284
Water Utilities	12 969	14 304
Hotels & Gaming	8 463	8 822
Capital Goods	7 573	13 872
Commercial & Professional Services	5 848	8 388
Funds & Asset Managers	4 060	6 978
Paper & Forest Products	2 607	2 656
Media & Entertainment	1 653	1 048
Building Materials	1 624	1 914
Investment Holdings	1 406	603
Agribusiness & Commodity Foods	914	0
Rental & Leasing	819	5 464
Technology Hardware & Equipment	239	622
Broker Dealers	175	175
Consumer Durables & Apparel	0	5 226
Pharmaceuticals	0	7 146

Internal Rating Profile

In June 2025, the rating profile of the Bank's fixed income portfolio was the following:

Fixed Income Portfolio Rating Profile

	June 2025	December 2024
[aaa; a-]	2.7%	5.8%
[bbb+; bbb-]	20.5%	24.1%
[bb+; bb-]	75.7%	67.6%
[b+; b-]	1.0%	2.5%

As a percentage of non-default-rated portfolio

Derivatives Portfolio

Portfolio Breakdown

The counterparty risk exposure in the Bank's portfolio of interest rate and exchange rate derivatives amounted to EUR 48 million in June 2025, which represents a decrease of EUR 2 million compared to December 2024.

In terms of the breakdown by counterparty risk sector, in June 2025, 46% of the global exposure relates to transactions in Transportation Infrastructure, followed by 35% in Banks' counterparties.

Derivatives Portfolio by sector (EUR thousand)

	June 2025	December 2024
Total	**47 613**	**49 574**
Transportation Infrastructure	21 704	24 269
Banks	16 811	13 954
Funds & Asset Managers	4 570	4 944
Food, Beverage & Tobacco	2 543	444
Paper & Forest Products	901	3 125
Broker Dealers	701	701
Oil & Gas	198	443
Power	185	436
Chemicals	0	754
Construction & Engineering	0	504

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 2025, the Bank's total exposure to derivative instruments focused on interest rate swaps.

Derivatives Portfolio Rating Profile

	June 2025	December 2024
[aaa+;a-]	79.5%	73.2%
[bbb+;bbb-]	3.5%	1.6%
[bb+;bb-]	16.5%	24.3%
[b+;b-]	0.5%	0.9%

As a percentage of non-default-rated portfolio

ESG Risk

The Bank assesses climate and environmental impacts when conducting business activities, particularly in the Corporate and Project Financing and DCM activities. Haitong Bank has assessed the emerging climate and environmental risks by performing a comprehensive analysis of the potential transmission channels between climate and environmental risk factors and the main categories of prudential risk borne by the banking sector in the short, medium and long-term, concluding that ESG Risk is strongly linked to credit risk.

The Bank assesses climate and environmental impacts when conducting its credit activity. Accordingly, the Bank has implemented an ESG Risk scoring model to identify clients bearing high ESG risk. Whenever a client is identified as potentially high ESG risk, further ESG due diligence is required and carried out to verify the existence of measures to mitigate such risk, so as to attain the final ESG risk classification, which is embedded in the rating report. Thus, Haitong Bank ensures that sustainability considerations are embedded in the Bank's risk management framework. By integrating ESG risk into credit assessments, the Bank fully factors in the transition and physical risks, while capturing the business opportunities provided by viable business models. Additionally, on the monitoring front, the overall exposure to "High ESG" clients is regularly monitored and reported to the management bodies of the Bank.

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 operates independently from 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 2025, Haitong Bank's VaR amounted to EUR 8.5 million, representing an increase of EUR 4.3 million when compared with December 2024, mainly due to the high volatility of the EURBRL during the first semester of 2025.

Value at Risk by Risk Factor (EUR million)

	June 2025	December 2024
Foreign Exchange Risk	8.3	4.1
Interest Rate Risk	0.2	0.4
Shares	0.0	0.0
Credit spread	0.6	0.3
Covariance	-0.6	-0.5
Global VaR	**8.5**	**4.2**

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, because 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 2025, the impact on the banking book economic value, under a parallel shock on the yield curve, different by currency, was estimated at EUR 15.8 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 16.2 million.

Credit Spread Risk

The credit spread, which reflects an issuer's ability to meet its obligations up to its maturity, is one of the factors considered in the asset 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 2025, the impact on the banking book economic value for this risk was estimated at EUR 14.3 million.

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 Bank'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 materialises in a defined benefit plan, where the Bank ensures an adequate financing of the employee retirement plan, regardless of the fund's performance.

The Pension Fund Risk is incorporated within the Bank's Risk Appetite Framework. The Bank has established policies and methodologies for risk assessment, monitoring, and reporting, ensuring alignment with the Group's Risk Appetite Framework. As of June 2025, the two defined benefit plans of Haitong Bank remain with a financing level above 100%.

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 this risk's identification, monitoring, control, and mitigation. 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.

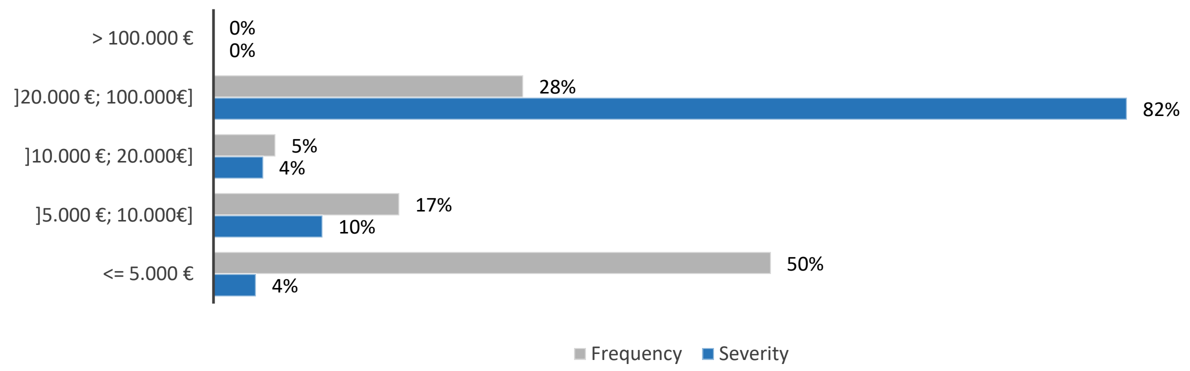
The operational risk management model is supported by an exclusively dedicated structure within the organisation, which is responsible for the following processes:

- Identification and assessment of risks and controls through risk, control and processes 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 Standardised 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. Every event is classified in accordance with the risk categories defined by Banco de Portugal, by business lines and by Basel event types.

Distribution of frequency and severity of events by loss amount

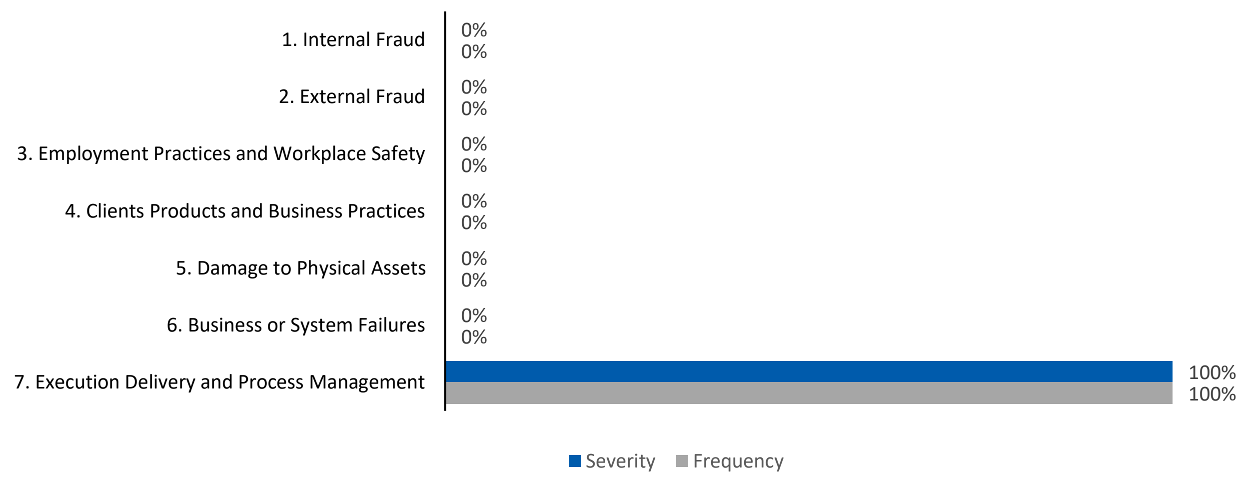


Operational Risk Events, June 2025

By June 2025, 50% of the Bank's loss events were below EUR 5,000.

Following Basel's event classification, in the first half of 2025, all the reported events and losses were related to the Execution, Delivery & Process Management event type.

Distribution of frequency and severity of events by event type



Operational Risk Events, June 2025

ICT and Security Risk

Haitong Bank defines ICT and Security Risk as the risk of loss due to breach of confidentiality, failure of integrity of systems and data, inappropriateness or unavailability of systems and data or inability to change information and communication technology (ICT). 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 consists 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 Outsourcing and 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 as well as 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.

In order to provide protection against unexpected fluctuations and based on a solid organizational 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 geography where the Bank operates;
- 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 investor base and maintain access to a variety of alternative funding sources, while minimising 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 is designed to promote short-term resilience of a bank's liquidity risk profile by measuring the adequacy of the stock of high-quality liquid assets (that can be easily converted into cash) to meet liquidity needs for a 30 calendar day liquidity stress scenario.

As of June 2025, Haitong Bank reached an LCR of 221%, which represents a resilient short-term liquidity position, comfortably complying with regulatory standards.

Liquidity Coverage Ratio (EUR thousand)

	June 2025	December 2024
High-Quality Liquid Assets	770 361	730 525
30 days Net Outflow	348 200	345 545
Liquidity Coverage Ratio	221%	211%

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 in June 2021.

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

As of June 2025, Haitong Bank reached an NSFR of 132%, ensuring an adequate medium to long-term funding profile.

Net Stable Funding Ratio

	June 2025	December 2024
Net Stable Funding Ratio	132%	134%

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 in 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 counter-cyclical capital buffer of up to 2.5% to be imposed in the event that national supervisors deem it necessary in order to counteract excessive credit growth in the jurisdictions under their supervision. As of June 30, 2025, Banco de Portugal decided not to impose any additional counter-cyclical capital buffer, by setting it at 0% of the total risk exposure amount to domestic counterparties. This decision is subject to revision on a quarterly basis, but Banco de Portugal already determined that from 1 January 2026, the counter-cyclical capital buffer should be set at 0.75% for exposures to counterparties located in Portugal.

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 2025, 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 2025	December 2024
CET1 ratio	19.1%	19.3%
Tier 1 ratio	23.9%	24.1%
Total capital ratio	23.9%	24.2%

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 2025, Haitong Bank's leverage ratios, calculated under the methodology set by the regulatory framework, are shown in the following table.

Leverage Ratios

	June 2025	December 2024
Leverage Ratio	11.4%	12.3%

FINANCIAL REPORT

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Income Statement for the financial periods ended on June 30, 2025, and 2024

(thousand euros)

	Notes	30.06.2025	30.06.2024
Interest and similar income	5	120 883	118 877
Interest and similar expenses	5	96 770	99 274
Financial margin		**24 113**	**19 603**
Fees and commissions income	6	6 435	13 794
Fees and commissions expenses	6	(655)	(1 707)
Net trading income	7	8 212	(2 519)
Net income from other financial instruments at fair value through profit or loss	8	1 408	344
Net gain/(loss) from derecognition of financial assets measured at fair value through other comprehensive income	9	3 229	774
Net gains/(losses) from hedge accounting	10	(90)	(83)
Net gains / (losses) from foreign exchange differences	11	(15 394)	5 213
Net gain/(loss) from derecognition of financial assets measured at amortised cost	12	2 639	2 576
Other operating income and expense	13	2 699	(2 948)
Operating Income		**32 596**	**35 047**
Employee costs	14	18 246	19 342
Administrative costs	16	7 256	6 851
Depreciations and amortisations	25 and 26	2 070	2 731
Provisions	31	690	(2 926)
Net impairment loss on financial assets	31	1 230	540
Operating expenses		**29 492**	**26 538**
Profit / (Loss) before Income Tax		**3 104**	**8 509**
Income tax			
Current tax	32	1 448	2 530
Deferred tax	32	538	1 122
		1 986	**3 652**
Net Profit / (Loss) for the period		**1 118**	**4 857**
Attributable to shareholders of the parent company	17	**1 014**	**5 092**
Attributable to non-controlling interests	35	**104**	**(235)**
		1 118	**4 857**
Basic Income per Share (in euros)	17	0.01	0.03
Diluted Income per Share (in euros)	17	0.01	0.03

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, 2025, and 2024

(thousand euros)

	Notes	30.06.2025	30.06.2024
Net income of the period			
Attributable to shareholders of the parent company		1 014	5 092
Attributable to non-controlling interests		104	(235)
		1 118	4 857
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	2 068	1 393
		2 068	1 393
Items that may be reclassified to profit and loss			
Foreign currency translation differences for foreign operations	35	(231)	(10 254)
Fair value changes of debt instruments measured at fair value through other comprehensive income, net of taxes	35	(603)	834
		(834)	(9 420)
Total other comprehensive income for the period		1 234	(8 027)
Total comprehensive income/(loss) for period		2 352	(3 170)
Attributable to shareholders of the parent company		2 081	760
Attributable to non-controlling interests		271	2 410
		2 352	3 170

The Director of the Finance Department

The Board of Directors

Consolidated Statement of Financial Position as at June 30, 2025, and December 31, 2024

(thousand euros)

	Notes	30.06.2025	31.12.2024
Assets			
Cash and cash equivalents	18	16 485	38 159
Financial assets at fair value through profit or loss		934 836	811 783
Financial assets held for trading		918 377	794 723
Securities	19	890 212	770 902
Derivative financial assets	20	28 165	23 821
Non-trading financial assets mandatorily at fair value through profit or loss		16 459	17 060
Securities	22	16 435	17 037
Loans and advances to customers	24	24	23
Financial assets at fair value through other comprehensive income	22	396 057	357 444
Financial assets measured at amortised cost		1 969 935	1 848 526
Securities	22	553 274	617 566
Loans and advances to banks	23	656 019	512 202
Loans and advances to customers	24	760 642	718 758
Other tangible assets	25	11 201	11 662
Intangible assets	26	1 029	1 152
Tax assets		119 104	120 647
Current income tax assets	32	21 696	21 447
Deferred income tax assets	32	97 408	99 200
Other assets	27	119 264	113 911
Total Assets		**3 567 911**	**3 303 284**
Liabilities			
Financial liabilities held for trading		133 805	23 948
Securities	19	96 281	817
Derivative financial liabilities	20	37 524	23 131
Financial liabilities measured at amortised cost		2 712 440	2 558 131
Resources of credit institutions	28	1 214 373	946 670
Resources of customers	29	1 225 504	1 293 048
Debt securities issued	30	272 563	318 413
Provisions	31	3 791	3 916
Tax liabilities		14 502	17 122
Current income tax liabilities	32	9 115	11 549
Deferred income tax liabilities	32	5 387	5 573
Other liabilities	33	62 784	61 930
Total Liabilities		**2 927 322**	**2 665 047**
Equity			
Share capital	34	871 278	871 278
Share premium	34	8 796	8 796
Other equity instruments	34	105 042	105 042
Fair-value reserves	35	(2 684)	(1 875)
Other reserves and retained earnings	35	(360 677)	(367 631)
Net profit/(loss) for the period attributable shareholders of the parent company		1 014	5 078
Total equity attributable to the shareholders of the parent company		**622 769**	**620 688**
Non-controlling interests	35	17 820	17 549
Total Equity		**640 589**	**638 237**
Total Equity and Liabilities		**3 567 911**	**3 303 284**

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, 2025, December 31, 2024, and June 30, 2024

(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 shareholders of the parent company	Total equity attributable to the shareholders of the parent company	Non-controlling interests	Total Equity
Balance as of 01 January 2024		871 278	8 796	105 042	(4 876)	(367 854)	17 262	629 648	22 781	652 429
Other movements recorded directly in equity:										
Changes in fair value, net of taxes	35	-	-	-	957	-	-	957	(124)	833
Exchange differences	35	-	-	-	-	(8 202)	-	(8 202)	(2 051)	(10 253)
Remeasurements of defined benefit liabilities, net of taxes	35	-	-	-	-	1 393	-	1 393	-	1 393
Net profit / (loss) for the period	35	-	-	-	-	-	5 092	5 092	(235)	4 857
Total comprehensive income for the period		-	-	-	957	(6 809)	5 092	(760)	(2 410)	(3 170)
Transfers for reserves and retained earnings		-	-	-	-	17 262	(17 262)	-	-	-
Balance as of 30 June 2024		871 278	8 796	105 042	(3 919)	(357 401)	5 092	628 888	20 371	649 259
Other movements recorded directly in equity:										-
Changes in fair value, net of taxes	30	-	-	-	2 044	-	-	2 044	(280)	1 764
Exchange differences	30	-	-	-	-	(6 856)	-	(6 856)	(1 713)	(8 569)
Remeasurements of defined benefit liabilities, net of taxes	30	-	-	-	-	(3 374)	-	(3 374)	-	(3 374)
Net profit / (loss) for the period	30	-	-	-	-	-	(14)	(14)	(197)	(211)
Total comprehensive income for the period		-	-	-	2 044	(10 230)	(14)	(8 200)	(2 190)	(10 390)
Dividends to non-controlling interests	29	-	-	-	-	-	-	-	(632)	(632)
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

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, 2025, and 2024

(thousand euros)

	Notes	30.06.2025	30.06.2024
Cash flows from operating activities			
Interests received		123 059	137 024
Interests paid		(92 993)	(99 481)
Fees and commissions received		6 006	13 544
Fees and commissions paid		(655)	(1 707)
Recoveries of operations written off from assets	13	823	96
Cash payments to employees and suppliers		(26 090)	(27 281)
		10 150	**22 195**
Changes in operating assets and liabilities:			
Trading financial assets and liabilities		(7 401)	(42 775)
Loans and advances to banks		(121 364)	19 594
Resources of other credit institutions	28	265 360	327 567
Loans and advances to customers		(44 083)	(18 767)
Resources of customers	29	(78 319)	(90 741)
Other operating assets and liabilities		(2 994)	383
Net cash flow from operating activities before income tax		**21 349**	**217 456**
Income taxes paid		(4 196)	(2 357)
		17 153	**215 099**
Purchase of securities		(324 092)	(221 047)
Sale and repayments of securities		351 118	317 904
Purchase of fixed assets	25 and 26	(1 203)	(1 095)
Sale of fixed assets		40	60
		25 863	**95 822**
Cash flows from financing activities			
Debt securities issued	30	66 166	5 246
Reimbursement of debt securities issued	30	(105 957)	(69 228)
Rents paid for leasing operations	33	(3 063)	(2 720)
Net cash flow from financing activities		**(42 854)**	**(66 702)**
Net changes in cash and equivalents		**162**	**244 219**
Cash and equivalents at the beginning for the year		517 527	570 814
Cash and equivalents at the end for the year		517 689	815 033
		162	**244 219**
Cash and equivalents includes:			
Cash	18	2	3
Demand deposit at central banks	18	4 929	3 690
Deposits at other credit institutions	18	12 434	14 337
Loans and advances to banks	23	500 324	797 003
		517 689	**815 033**

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. (the Bank or Haitong Bank) is an investment bank headquartered in Portugal, at Rua Alexandre Herculano, n.º 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, Macao and Madrid, as well as through its subsidiary in Brazil. In September 2022, Haitong Bank, S.A. completed the process of opening a representative office in Paris.

In March 2023, Haitong Bank's London Branch received approval from the Financial Conduct Authority (FCA) for the Bank's application to the UK's Full Regulatory Regime.

In January 2024, Banco of Portugal informed Haitong Bank of its non-opposition to the change in the Macao Branch's business plan. In May 2024, the Monetary Authority of Macao (AMCM) issued a letter of non-opposition to the start of deposit-taking activities at the Macao Branch.

Haitong Bank's financial statements are consolidated by Haitong International Holdings Limited, headquartered at Li Po Chun Chambers, No. 189, Des Voeux Road Central, Hong Kong, with Guotai Haitong Securities Co., Ltd. as the ultimate parent company.

In September 2024, an agreement was signed between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. regarding a proposed merger through absorption and participation via securities exchange. In March 2025, Guotai Junan Securities Co., Ltd. communicated the conclusion of the merger process to the market, being rebranded afterwards as Guotai Haitong Securities Co., Ltd..

Applications have been submitted to the relevant regulators of the Haitong Bank Group, including Banco de Portugal, Comissão do Mercado dos Valores Mobiliário (CMVM), Banco Central do Brasil, and the Cayman Islands Monetary Authority. To date, CMVM and the Cayman Islands Monetary Authority have approved the merger (the latter subject to the approval of Banco de Portugal and Banco Central do Brasil), with the approval from the remaining regulators still pending.

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	**645 355**	**2 294 747**	**1 309**
Haitong Global Asset Management SGOIC S.A.	1988	2005	Portugal	Asset management	100%	Full	29 575	29 789	(48)
Haitong Banco de Investimento do Brasil S.A.	1973	2000	Brazil	Investment Bank	80%	Full	66 618	1 374 747	(1 204)
FI Multimercado Treasury	2005	2005	Brazil	Investment fund	80%	Full	8 158	8 160	(445)
Haitong Negócios, SA	1996	1999	Brazil	Holding company	80%	Full	32 981	34 438	1 161
Haitong do Brasil DTVM S.A.	2009	2009	Brazil	Asset management	80%	Full	7 382	7 748	203
Haitong Securities do Brasil S.A.	1973	2000	Brazil	Brokerage house	80%	Full	18 228	21 279	513

(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 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, 2024, and were prepared in accordance with IFRS in force in the European Union on January 1, 2024. 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 period.

The consolidated 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 10, 2025. The financial statements as of December 31, 2024 were approved by the sole Shareholder on April 30, 2025.

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 sale 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.

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 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 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, at fair value through profit or loss or at historical cost.

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) 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 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).

- Uncertainty about the outcome of the trade negotiations and the impact of inevitably higher import tariffs in the US triggered a decline in global business confidence. According to the manufacturing PMI index, industrial activity expectations in China eased from 52.2 in December 2024 to 50.6 in June 2025. In the Eurozone, the equivalent PMI decelerated from 51.6 in December 2024 to 50.5 in June 2025. Even in the US, the industrial sector's PMI remained sub-par at 49 in June 2025 vs. 49.2 in December 2024, due to the high risk of disruption in global supply chains, especially with China.

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 forborne exposures is longer (12 months). Performing forborne 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; (iii) debt restructuring towards a debtor facing and/or about to face financial difficulties in meeting its financial commitments (with no indication of unlikeliness to pay); (iv) overdue debts to tax agency, social security and/or to employees; (v) clients with warning signals activated in the last three months; 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 (EWS) 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 or more active triggers in the Early Warning Signals questionnaires; (ii) clients with a rating change of at least 4-notches downgrade but remaining within an investment grade during the period; and (iii) clients 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 unlikeliness 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 unlikeliness 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 unlikeliness 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 unlikeliness 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 unlikeliness 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.

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.

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 inherent to the fair value variation of fair value hedging derivatives is recognised in interest income or cost. As for the remaining derivatives, the interest component resulting from the change in fair value will not be separated, being classified in the income statement of assets and liabilities held for trading.

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. 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.

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.

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 GNB - Sociedade Gestora de Fundos de Pensões, S.A.. The management of these funds is being transferred to Golden - Sociedade Gestora de Fundos de Pensões, S.A., with the transition scheduled for completion in the second half of 2025.

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 Medicover. Medicover, 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. Medicover 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, as well as tax losses that can be carried forward to subsequent years, 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 and tax losses are used.

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 as far 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, with the accounts reflecting 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 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 30which 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).

The Group offsets assets and liabilities by deferred taxes for each subsidiary, every time (i) the income tax of each subsidiary to be paid to the Tax Authorities is determined on a net basis, i.e., offsetting current asset and liability taxes, and (ii) taxes are collected by the same Tax Authority over the same tax entity. This offsetting is therefore made at the level of each subsidiary, reflecting the asset balance in the consolidated balance sheet the sum of the values of the subsidiaries that present deferred tax assets and the liability balance in the consolidated balance sheet the sum of the values of the subsidiaries that present deferred tax liabilities.

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 applicable, 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 will be applied from 2025.

The approved legislation also provides for a set of safe harbours 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 harbours 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 Guotai 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 2025, through the IIR, as well as for other Group entities from 2025 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 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;
- 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.

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 uncertainly 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; and (v) clients with a credit spread increase superior to 30% since their origination, 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 unlikeliness 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 2024 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 accordance with IFRS 9. The gross value of the performance guarantees issued and accounted for as loan commitments is 71 927 thousand euros at June 30, 2025 (December 31, 2024: 81 134 thousand euros) (see Note 36) and the carrying amount of the related liability recognized in the financial statements is 41 thousand euros at June 30, 2025 (December 31, 2024: 54 thousand euros). The commission income recognized for these performance guarantees was 10 thousand euros (December 31, 2024: 129 thousand euros) for the period ended on June 30, 2025.

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

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 and restructuring 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, ESG 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, takeover 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. Its presence in various geographies and the combination of its origination and distribution capacity stimulate the identification of new business opportunities and promote cross-border activity.

The Fixed Income Division 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. The Fixed Income activity in Brazil 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 Brazil.

Corporate and Project Financing

The Structured Finance Division develops financing solutions for its Clients, namely under the form of acquisition/leverage finance, project finance, or corporate and asset-based loans, and provides financial advisory services and arranging and agency services for financing operations.

Client Solutions / Client Coverage

The Corporate Solutions Division is responsible for establishing relationships with clients in various sectors and for identifying business opportunities and attracting business to the Bank's product areas.

This unit 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 centred on delivering sustainable growth and long-term value through a combination of innovation, risk management, and client-centric solutions.

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.

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.

Other

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.

(Asset Management and other revenue centres, including the Research Division that was discontinued in the Warsaw Branch in January 2023).

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: 30.06.2025											
	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)	-	(9)	(8)	(49)	(442)	(20)	(121)	-	(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**	**-**	**27 572**
Employee costs	1 361	277	1 114	1 135	391	1 329	413	367	373	11 486	-	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)**	**-**	**(1 920)**
Credit impairment	(1 324)	110	-	-	(804)	-	-	80	-	(23)	-	(1 961)
Securities impairment	83	-	-	-	-	(281)	-	(246)	-	-	-	(444)
Net provisions and other impairment	(370)	1 246	(159)	47	-	(3)	-	(3)	(1)	(272)	-	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

(thousand euros)

	Period of six months ended at: 30.06.2024												
	Corporate and Project Financing	Special Portfolio Management	Mergers and Acquisitions	Capital Markets	Corporate Derivatives	Fixed Income	Equities	Private Equity	Treasury	Client Coverage	Corporate Centre	Other	Total
Net interest income	8 767	8	(23)	(3)	(2)	1 987	35	-	7 220	(9)	1 526	97	19 603
Net fees and commissions	2 456	20	576	10 007	(38)	231	3	177	(606)	3	(740)	185	12 274
COMERCIAL OPERATING INCOME	**11 223**	**28**	**553**	**10 004**	**(40)**	**2 218**	**38**	**177**	**6 614**	**(6)**	**786**	**282**	**31 877**
Results on financial operation	221	182	52	-	413	5 794	-	24	1 705	-	(1 802)	-	6 589
Costs Deducting Banking Income	(126)	-	(11)	(5)	(27)	(232)	-	(14)	(238)	-	(2 761)	(4)	(3 418)
Intersegment Operating Income	209	(209)	-	-	223	641	-	(97)	(873)	-	6	99	(1)
TOTAL OPERATING INCOME	**11 527**	**1**	**594**	**9 999**	**569**	**8 421**	**38**	**90**	**7 208**	**(6)**	**(3 771)**	**377**	**35 047**
Operating expenses	**1 676**	**381**	**2 282**	**1 332**	**775**	**2 255**	**(1)**	**621**	**590**	**783**	**17 994**	**236**	**28 924**
Employee costs	1 315	291	1 632	1 065	430	1 131	(1)	498	284	644	11 933	120	19 342
Administrative costs	280	66	510	221	302	1 036	-	113	279	82	3 846	116	6 851
Depreciations and Amortisations	81	24	140	46	43	88	-	10	27	57	2 215	-	2 731
Gross income	**9 851**	**(380)**	**(1 688)**	**8 667**	**(206)**	**6 166**	**39**	**(531)**	**6 618**	**(789)**	**(21 765)**	**141**	**6 123**
Impairment and Provisions	**1 342**	**151**	**83**	**(1 242)**	**-**	**(681)**	**-**	**(8)**	**70**	**-**	**2 672**	**(1)**	**2 386**
Credit impairment	591	(67)	-	-	-	-	-	-	-	-	(70)	-	454
Securities impairment	239	-	-	-	-	(127)	-	-	61	-	13	-	186
Net provisions and other impairment	512	218	83	(1 242)	-	(554)	-	(8)	9	-	2 729	(1)	1 746
Profit / (Loss) before Income Tax	**11 193**	**(229)**	**(1 605)**	**7 425**	**(206)**	**5 485**	**39**	**(539)**	**6 688**	**(789)**	**(19 093)**	**140**	**8 509**
Income tax	-	-	-	-	-	-	-	-	-	-	-	3 652	3 652
Net Profit / (Loss) for the period	**11 193**	**(229)**	**(1 605)**	**7 425**	**(206)**	**5 485**	**39**	**(539)**	**6 688**	**(789)**	**(19 093)**	**(3 512)**	**4 857**
Attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(235)	(235)
Attributable to shareholders of the parent company	**11 193**	**(229)**	**(1 605)**	**7 425**	**(206)**	**5 485**	**39**	**(539)**	**6 688**	**(789)**	**(19 093)**	**(3 277)**	**5 092**

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)

	30.06.2025				
	Portugal	Rest of the Europe	America	Asia	Total
Net income*	1 122	(969)	580	281	1 014
Net asset	1 458 784	683 462	1 397 876	27 789	3 567 911
Investments in assets					
tangible	71	215	861	2	1 149
intangible	17	20	17	-	54

**Net income attributable to shareholders of the parent company*

(thousand euros)

	31.12.2024				
	Portugal	Rest of the Europe	America	Asia	Total
Net income*	(3 383)	3 236	(1 408)	6 633	5 078
Net asset	1 534 374	648 480	1 090 372	30 058	3 303 284
Investments in assets					
tangible	1 033	282	213	2 474	4 002
intangible	464	138	267	-	869

**Net income attributable to shareholders of the parent company*

NOTE 5 – FINANCIAL MARGIN

This heading's amount is composed of:

As at June 30, 2025, interest and similar income includes 887 thousand euros and 1 534 thousand euros relating to contracts marked as stage 2 and stage 3, respectively (June 30, 2024: 918 thousand euros and 769 thousand euros, respectively).

As of June 30, 2025, no costs associated with TLTRO operations ending in 2024 (as of June 30, 2024, this amounted of 219 thousand euros).

For each TLTRO III tranche, the effective interest rate is being periodised. This interest rate considers the interest rates applicable to each operation in the elapsed period, according to the Bank's estimate of the achievement of targets variation in the volume of eligible credit defined by the ECB.

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, 2025, and 2024, as well as the respective average balances and interest for the year are shown in Note 39.

(thousand euros)

	Period of six months ended at:					
	30.06.2025			30.06.2024		
	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	26 829	-	26 829	28 813	-	28 813
Interest from deposits and investments in credit institutions	12 245	-	12 245	17 136	-	17 136
Interest from financial assets at fair value through other comprehensive income	10 803	-	10 803	9 658	-	9 658
Interest from financial assets at fair-value through profit and loss	-	52 802	52 802	-	45 716	45 716
Interest from financial assets (securities) at amortised cost	17 683	-	17 683	16 918	-	16 918
Other interest and similar income	521	-	521	636	-	636
	68 081	52 802	120 883	73 161	45 716	118 877
Interest and similar expenses						
Interest from deposits from central banks and other credit institutions	52 883	-	52 883	48 566	-	48 566
Interest from debt securities issued	12 125	-	12 125	22 905	-	22 905
Interest from resources of customers	31 325	-	31 325	25 644	-	25 644
Interest from leasing operations	338	-	338	303	-	303
Other interest and similar expenses	99	-	99	1 856	-	1 856
	96 770	-	96 770	99 274	-	99 274
Total	(28 689)	52 802	24 113	(26 113)	45 716	19 603

NOTE 6 – NET FEES AND COMMISSIONS INCOME

This heading's amount is composed of:

(thousand euros)

	Period of six months ended at:	
	30.06.2025	30.06.2024
Fees and commissions income		
From banking services	3 262	2 707
From guarantees provided	579	750
From transactions with securities	2 594	10 337
	6 435	13 794
Fees and commissions expenses		
From banking services rendered by third parties	69	56
From transactions with securities	443	1 532
From guarantees received	143	106
Other fee and commission expenses	-	13
	655	1 707
Total	5 780	12 087

As of June 30, 2025, the income regarding fees and commission included (112) thousand euros (June 30, 2024: 339 thousand euros) concern Haitong Group related parties (Note 37).

As at June 30, 2025, and June 30, 2024, the amount of fees and commissions income present the following distribution, by geographical segment:

(thousand euros)

	Period of six months ended at:	
	30.06.2025	30.06.2024
Fees and commissions income		
Poland	2 117	373
Portugal	1 871	2 474
China	698	6 613
Brazil	449	490
Spain	406	441
Luxembourg	257	511
United Kingdom	239	626
India	136	-
Ireland	118	133
Laos	105	-
Others	39	2 133
Total	**6 435**	**13 794**

NOTE 7 – NET TRADING INCOME

This heading's amount is composed of:

(thousand euros)

	Period of six months ended at:	
	30.06.2025	30.06.2024
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	62 494	(16 372)
Of other issuers	338	378
Shares	206	246
	63 038	**(15 748)**
Financial derivatives		
Foreign-exchange contracts	9 800	(410)
Interest rates contracts	(61 067)	13 950
Equity/indexes contracts	(400)	(332)
Credit default contracts	-	1
Other	(3 159)	20
	(54 826)	**13 229**
Total	**8 212**	**(2 519)**

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:

(thousand euros)

	Period of six months ended at:	
	30.06.2025	30.06.2024
Financial assets at fair value through profit or loss not held for trading		
Securities		
Loans and advances to customers	1	-
Shares	338	345
Other variable-income securities	1 057	(1)
	1 396	344
Financial liabilities at fair value through profit or loss		
Debt securities issued	12	-
	12	-
Total	1 408	344

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 TRHOUGH OTHER COMPREHENSIVE INCOME

This heading's amount is composed of:

(thousand euros)

	Period of six months ended at:	
	30.06.2025	30.06.2024
Bonds and other fixed-income securities		
Of other entities	3 229	774
Total	3 229	774

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:	
		30.06.2025	30.06.2024
Net gains/(losses) from hedge accounting			
Hedging derivatives	21	(1 037)	624
Hedged items	22	947	(707)
Total		**(90)**	**(83)**

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:

(thousand euros)

	Period of six months ended at:	
	30.06.2025	30.06.2024
Currency revaluation	(15 394)	5 213
Total	**(15 394)**	**5 213**

On the June 30, 2025, and 2024, 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, 2025, and 2024, this heading's amount is composed of:

(thousand euros)

	Period of six months ended at:	
	30.06.2025	30.06.2024
Gains/Losses on Amortized Cost Investments	2 639	2 576
Total	**2 639**	**2 576**

In 2025, the Bank sold a total of 103 650 thousands euros worth of securities (June 30, 2024: 79 786 thousand euros). These transactions generated a gain of 2 639 thousand euros from the sale of bonds (June 30, 2024: 2 576 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:	
	30.06.2025	30.06.2024
Other customer services	84	188
Direct and Indirect taxes	(2 380)	(2 619)
Non-financial assets	5	(3)
Sub-leasing	242	230
Other operating results	3 925	(840)
Gains / (losses) on recoveries of loans		
Credit Recoveries	51	60
Securities recoveries	739	-
Other recoveries	33	36
Total	**2 699**	**(2 948)**

Direct and indirect taxes include:

- 1 376 thousand euros relating to the cost of the Contribution on the Banking Sector (June 30, 2024: 1 781 thousand euros), created by Law No. 55-A/2010 of June 30;
- 180 thousand euros relating to the cost of the Social Integration Program and Social Security Financing Contribution (PIS/CONFINS) (June 30, 2024: 401 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, 1991.

Other operating income includes 490 thousand euros relating to the cost of the Contribution to the National Resolution Fund and the European Resolution Fund (June 30, 2024: 350 thousand euros).

In June 2025, there was a recovery of 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:	
	30.06.2025	30.06.2024
Wages and salaries		
Remuneration	13 751	14 707
Career benefits (Note 15)	(21)	2
Changes from termination agreements	120	-
Expenses with retirement pensions (Note 15)	43	25
Other mandatory social charges	3 418	3 226
Other expenses	935	1 382
Total	**18 246**	**19 342**

The costs with remuneration and other benefits granted to key management employees of the Haitong Bank Group are distributed as follows:

(thousand 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**

(milhares de euros)

	30.06.2024			
	MB Supervisory function	MB Management function	Other Senior Management	Other Senior Staff
Fixed remuneration				
Number of identified staff	4	6	55	3
Total Fixed remuneration	195	1 014	3 762	101
Of which: Cash-based	195	1 014	3 762	101
Total	**195**	**1 014**	**3 762**	**101**

In the first half of 2025, Haitong Bank Group paid 1 556 thousand EUR in variable remuneration to members of the management bodies and members of the identified staff. This payment included the upfront performance variable remuneration for 2024, as well as the deferred portions from 2021, 2022 and 2023. This amount is compared to the 1 866 thousand EUR paid in 2024.

On the 30th of June 2025 and 2024, 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:

	30.06.2025	31.12.2024	30.06.2024
Directors	179	197	201
Management	2	2	2
Specific roles	115	113	113
Administrative roles	20	21	22
Support roles	4	6	6
Total Group Haitong Bank (Average)	**319**	**339**	**343**

NOTE 15 – EMPLOYEES 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 GNB – 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 30, 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.

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 GNB – 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 30, 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.

	Assumptions	
	30.06.2025	30.06.2024
Financial Assumptions		
Discount rate	4,03%	3,87%
Pension growth rates	2025: 1,85% >=2026: 0,50%	2024: 2,00% 2025: 1,20% 2026 e seguintes: 0,50%
Salary growth rates	2025: 2,10% >=2026: 0,75%	2024: 2,25% 2025: 1,45% 2026 e seguintes: 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 December 31, 2024, was based on: (i) the trends observed in the main indices related to high-quality corporate bonds, and (ii) the duration of the liabilities (15 years).

Recipients of the pensions plan are disaggregated as follows:

(thousand euros)

	30.06.2025	30.06.2024
Current service cost	43	25
Interest Expenses / (Income)	(190)	(229)
Final Balance	**(147)**	**(204)**

Career bonuses

On June 30, 2025 and on December 31, 2024, the liabilities assumed by the Group and the costs recognised in the periods with the career bonus are the following:

(thousand euros)

	30.06.2025	31.12.2024	30.06.2024
Liabilities at the beginning of the period	**486**	**487**	**485**
Period expenses	(21)	(1)	2
Liabilities at the end of the period	**465**	**486**	**487**

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:	
	30.06.2025	30.06.2024
Communications and expedition	1 533	1 489
Rents and leases	331	330
Travels and representation expenses	219	298
Maintenance and related services	251	288
Insurance	67	63
Advertising and publications	(204)	8
Legal and litigation	24	48
IT services	2 042	1 926
Temporary labour	2	7
Independent labour	474	224
Other specialised services	1 445	1 245
Other expenses	1 072	925
Total	**7 256**	**6 851**

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:	
	30.06.2025	30.06.2024
Consolidated net income attributable to shareholders of the parent company	1 014	5 092
Weighted average number of ordinary shares outstanding	174 256	174 256
Basic earnings per share attributable to shareholders of the parent company (euros)	0.01	0.03

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.

On June 30, 2025, and 2024, the Bank holds instruments issued without diluting effect, therefore diluted earnings per share equals basic earnings per share.

NOTE 18 – CASH AND CASH EQUIVALENTS

As of June 30, 2024, and December 31, 2023, this heading is analysed as follows:

(thousand euros)

	30.06.2025	31.12.2024
Cash	2	2
Demand deposit at central banks		
Bank of Portugal	465	1 318
Other central banks	4 464	26 895
	4 929	28 213
Deposits at other credit institutions in Portugal		
Demand deposits	2 705	2 426
	2 705	2 426
Deposits at other credit institutions abroad		
Demand deposits	9 729	9 896
	9 729	9 896
	17 365	40 537
Impairment losses	(880)	(2 378)
Total	**16 485**	**38 159**

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, 2025, the average rate of return on these deposits was 0% (June 30, 2024: 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 Banco de Portugal on June 30, 2025, was included in the maintenance period from June 11, 2025, to July 29, 2025, which corresponded to a minimum reserve requirement of 1 598 thousand euros (December 31, 2024: 3 424 thousand euros).

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

As of June 30, 2025, and December 31, 2024, the heading of trading financial assets and liabilities is as follows:

(thousand euros)

	30.06.2025	31.12.2024
Financial assets held for trading		
Securities		
Bonds and other fixed-income securities		
From public issuers	850 647	726 628
From other issuers	39 565	44 250
Shares	-	24
	890 212	**770 902**
Financial liabilities held for trading		
Securities		
Short selling	96 281	817
	96 281	**817**
Liquid	**793 931**	**770 085**

As at June 30, 2025, the heading of financial assets held for trading includes 790 048 thousand euros in securities pledged as collateral by the Group (695 173 thousand euros as at December 31, 2024) (see Note 36).

As at June 30, 2025, and December 31, 2024, the analysis of financial assets held-for-trading, by residual maturity period, is as follows:

(thousand euros)

	30.06.2025	31.12.2024
Up to three months	2 777	5 768
From three months to one year	16 982	11 143
From one to five years	40 557	333 152
More than five years	829 896	420 815
Undetermined period	-	24
Total	**890 212**	**770 902**

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, 2025, and December 31, 2024, the heading of financial assets held-for-trading, concerning quoted and unquoted securities, is divided as follows:

(thousand euros)

	30.06.2025			31.12.2024		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Bonds and other fixed-income securities						
Issued by public entities	1 465	849 182	850 647	691	725 937	726 628
Issued by other entities	37 626	1 939	39 565	39 247	5 003	44 250
Shares	-	-	-	-	24	24
Total book value	**39 091**	**851 121**	**890 212**	**39 938**	**730 964**	**770 902**

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 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, 2025, and December 31, 2024, financial derivatives heading is analysed as follows:

(thousand euros)

	30.06.2025	31.12.2024
Derivatives financial assets		
Trading derivatives		
Foreign-exchange contracts	12 188	7 432
Interest-rate contracts	15 977	16 389
	28 165	**23 821**
Derivatives financial liabilities		
Trading derivatives		
Foreign-exchange contracts	12 627	5 706
Interest-rate contracts	24 897	17 425
	37 524	**23 131**
Net derivative position	**(9 359)**	**690**

As of June 30, 2025, and December 31, 2024, financial derivatives heading is analysed as follows

(thousand euros)

	30.06.2025			31.12.2024		
	Notional	Fair value		Notional	Fair value	
		Positive	Negative		Positive	Negative
Foreign-exchange contracts						
Forward		842	4 042		2 246	29
- buy	121 706			39 652		
- sell	121 708			39 651		
Currency Swaps		2 762	1		276	762
- buy	170 930			154 324		
- sell	168 321			154 929		
Currency Futures		-	-		-	-
- buy	24 712			50 293		
- sell	76 669			77 487		
Currency Interest Rate Swaps		6 790	6 790		1 676	1 676
- buy	133 271			141 469		
- sell	133 271			141 469		
Currency Options		1 794	1 794		3 234	3 239
- buy	156 625			267 707		
- sell	164 883			271 265		
	1 272 096	12 188	12 627	1 338 246	7 432	5 706
Interest-rate contracts						
Interest Rate Swaps		15 977	24 897		16 379	17 415
- buy	511 207			434 067		
- sell	511 207			434 067		
Interest Rate Caps & Floors		-	-		10	10
- buy	36 377			54 028		
- sell	36 377			54 028		
Interest Rate Futures		-	-		-	-
- buy	173 878			382 948		
- sell	689 596			175 145		
	1 958 642	15 977	24 897	1 534 283	16 389	17 425
Contracts on shares/indexes						
Equity / Index Options		-	-		-	-
- buy	5 051			5 593		
- sell	-			-		
Equity / Index Futures		-	-		-	-
- buy	-			-		
- sell	3 942			3 758		
	8 993	-	-	9 351	-	-
Total	3 239 731	28 165	37 524	2 881 880	23 821	23 131

As of June 30, 2025, and December 31, 2024, the analysis of trading financial derivatives, by residual maturity period, is as follows:

(thousand euros)

	30.06.2025			31.12.2024		
	Notional		Fair Value (net)	Notional		Fair Value (net)
	Sale	Purchase		Sale	Purchase	
Up to three months	531 704	450 744	(742)	316 541	574 500	632
From three months to one year	302 724	380 309	1 823	364 393	414 544	(182)
From one to five years	476 853	213 045	6	420 207	396 947	266
More than five years	594 693	289 659	(10 446)	250 658	144 090	(26)
Total	**1 905 974**	**1 333 757**	**(9 359)**	**1 351 799**	**1 530 081**	**690**

As of June 30, 2025, and December 31, 2024, 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).

NOTE 21 – HEDGING DERIVATIVES

As of June 30, 2025, and December 31, 2024, this heading is analysed as follows:

(thousand euros)

			30.06.2025						
			Hedging instrument			Hedged instrument			
Hedged risk	Derivative product	Associated financial asset / liability	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	Net gains/(losses) from hedge accounting
Interest Rate	Futures	Debt Instruments	95 167	-	(1 037)	107 651	143	947	(90)

(thousand euros)

			31.12.2024						
			Hedging instrument			Hedged instrument			
Hedged risk	Derivative product	Associated financial asset / liability	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	Net gains/(losses) from hedge accounting
Interest Rate	Futures	Debt Instruments	36 092	-	1 706	35 565	(701)	(1 359)	347

(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, 2025, and December 31, 2024, this heading is analysed as follows:

(thousand euros)

	30.06.2025	31.12.2024
Non-trading financial assets mandatorily at fair value through profit or loss		
Bonds and other fixed-income securities		
From other issuers	885	887
Shares	4 558	5 047
Other variable income securities	10 992	11 103
	16 435	**17 037**
Financial assets at fair value through other comprehensive income		
Bonds and other fixed-income securities		
From public issuers	67 689	68 178
From other issuers	328 368	289 266
	396 057	**357 444**
Financial assets measured at amortised cost		
Bonds and other fixed-income securities		
From public issuers	323 565	326 983
From other issuers	229 709	290 583
	553 274	**617 566**
Total	**965 766**	**992 047**

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, 2025, and December 31, 2024, the portfolio of the financial assets at fair value through other comprehensive income is analysed 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	71 796	51	(4 033)	-	(125)	67 689
Issued by other entities	329 935	1 747	(2 862)	408	(860)	328 368
Balance as of 30 June 2025	**401 731**	**1 798**	**(6 895)**	**408**	**(985)**	**396 057**
Bonds and other fixed-income securities						
Issued by public entities	74 237	47	(5 980)	-	(127)	68 177
Issued by other entities	288 693	4 063	(2 913)	(10)	(566)	289 267
Balance as of 31 December 2024	**362 930**	**4 110**	**(8 893)**	**(10)**	**(693)**	**357 444**

(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, 2025, the heading of financial assets at fair value through other comprehensive income includes 165 407 thousand euros (31 December 2024: 170 904 thousand euros) in securities pledged as collateral by the Group.

As of June 30, 2025, and December 31, 2024, 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	324 109	(101)	(444)	323 564
Issued by other entities	230 462	(164)	(588)	229 710
Balance as of 30 June 2025	**554 571**	**(265)**	**(1 032)**	**553 274**
Bonds and other fixed-income securities				
Issued by public entities	327 672	(330)	(359)	326 983
Issued by other entities	291 779	(361)	(835)	290 583
Balance as of 31 December 2024	**619 451**	**(691)**	**(1 194)**	**617 566**

(1) Amortized cost including accrued interest and the amounts of discontinued hedge accounting relationships

As of June 30, 2025, the heading of financial assets at amortised cost includes 404 873 thousand euros (31 December 2024: 401 564 thousand euros) in securities pledged as collateral by the Group, which corresponds to a fair value of 398 611 thousand euros ((31 December 2024: 396 810 thousand euros).

As of June 30, 2025, and December 31, 2024, the analysis of securities portfolios by maturity period, is presented as follows:

(thousand euros)

	30.06.2025	31.12.2024
Up to three months	22 902	64 129
From three months to one year	129 554	101 078
From one to five years	623 487	629 102
More than five years	173 733	181 588
Undetermined period	16 090	16 150
Total	**965 766**	**992 047**

As of June 30, 2025, and December 31, 2024, the heading of securities, concerning quoted and unquoted securities, is divided as follows:

(thousand euros)

	30.06.2025			31.12.2024		
	Quoted (1)	Unquoted	Total	Quoted (1)	Unquoted	Total
Securities						
Bonds and other fixed-income securities						
Issued by public entities	193 091	198 163	391 254	233 292	161 869	395 161
Issued by other entities	353 933	205 029	558 962	384 618	196 118	580 736
Shares	-	4 558	4 558	-	5 047	5 047
Other variable-income securities	-	10 992	10 992	-	11 103	11 103
Total book value	**547 024**	**418 742**	**965 766**	**617 910**	**374 137**	**992 047**

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, 2025, and December 31, 2024, 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, 2025, and December 31, 2024, this heading is analysed as follows:

(thousand euros)

	30.06.2025	31.12.2024
Loans and advances to central banks		
Bank of Portugal	468 096	426 036
Other central banks	4 715	23 395
Reverse repos	117 766	7 880
	590 577	457 311
Loans and advances to banks in Portugal		
Interbank money market	25 134	27 856
Very short-term deposits	2 304	-
	27 438	27 856
Loans and advances to banks abroad		
Deposits	74	74
Reverse repos	507	7 089
Very short-term deposits	35 553	17 753
Other loans and advances	1 893	2 128
	38 027	27 044
	656 042	512 211
Impairment losses	(23)	(9)
Total	656 019	512 202

As of June 30, 2025, and December 31, 2024, the analysis of loans and advances to banks, by residual maturity period, is presented as follows:

(thousand euros)

	30.06.2025	31.12.2024
Up to three months (Cash equivalents)	500 324	476 990
Up to three months (Others)	118 274	14 969
From three months to one year	37 444	20 252
Total	656 042	512 211

The average interest rates recorded for the periods ended June 2025 and December 2024, 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, 2025, and December 31, 2024, this heading is analysed as follows:

(thousand euros)

	30.06.2025	31.12.2024
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	23
At Amortised cost		
Domestic loans		
Corporate		
Loans	111 304	127 411
	111 304	127 411
Abroad loans		
Corporate		
Loans	651 201	596 338
	651 201	596 338
Overdue capital and interest		
Up to 90 days	5 690	560
	5 690	560
	768 195	724 309
Impairment losses (Note 26)	(7 553)	(5 551)
	760 642	718 758
Total	760 666	718 781

As of June 30, 2025, and December 31, 2024, the analysis of loans and advances to customers, by residual maturity period, is presented as follows:

(thousand euros)

	30.06.2025	31.12.2024
Up to three months	-	36 895
From three months to one year	21 339	21 524
From one to five years	588 195	523 067
More than five years	152 971	142 823
Undetermined period (1)	5 714	23
Total	768 219	724 332

(1) Corresponds to overdue capital and interest of matured operations.

NOTE 25 – OTHER TANGIBLE ASSETS

As of June 30, 2025, and December 31, 2024, this heading is analysed as follows:

(thousand euros)

	30.06.2025	31.12.2024
Real estate		
For own use	1	1
Improvements in leasehold property	7 694	7 691
	7 695	7 692
Equipment		
IT equipment	8 402	8 192
Indoor installations	873	873
Furniture	2 114	2 115
Machinery and tools	783	781
Motor vehicles	236	236
Security equipment	153	152
Others	336	312
	12 897	12 661
	20 592	20 353
Work in progress		
Equipment	140	-
	140	-
Right-of-use		
Buildings	25 779	24 485
Vehicles	302	297
IT equipment	128	128
	26 209	24 910
	46 941	45 263
Accumulated depreciations	(35 740)	(33 601)
Total	11 201	11 662

The movement in this heading was as follows:

(thousand euros)

	Real estate	Equipment	Right-of-use Real estate	Right-of-use IT Equipment	Right-of-use Vehicles	Work in progress	Total
Acquisition cost							
Balance as of 1 January 2024	**8 745**	**15 798**	**22 333**	**102**	**277**	**-**	**47 255**
Acquisitions	-	834	3 094	38	36	-	4 002
Write-offs / sales	(704)	(4 138)	(244)	(12)	(16)	-	(5 114)
Transfers:	-	392	-	-	-	-	392
Foreign exchange variation and others	(349)	(225)	(698)	-	-	-	(1 272)
Balance as of 31 December 2024	**7 692**	**12 661**	**24 485**	**128**	**297**	**-**	**45 263**
Acquisitions	7	277	725	-	-	140	1,149
Write-offs / sales	-	(39)	(69)	-	-	-	(108)
Foreign exchange variation and others	(4)	(2)	638	-	5	-	637
Balance as of 30 June 2025	**7 695**	**12 897**	**25 779**	**128**	**302**	**140**	**46 941**
Depreciations						-	
Balance as of 1 January 2024	**7 757**	**14 155**	**13 237**	**74**	**149**	**-**	**35 372**
Depreciations of period	191	981	3 131	22	71	-	4,396
Write-offs / sales	(704)	(4 136)	(243)	(12)	(17)	-	(5 112)
Foreign exchange variation and others	(348)	(183)	(524)	-	-	-	(1 055)
Balance as of 31 December 2024	**6 896**	**10 817**	**15 601**	**84**	**203**	**-**	**33 601**
Depreciations of period	94	505	1 280	11	36	-	1 926
Write-offs / sales	-	(32)	(69)	-	-	-	(101)
Foreign exchange variation and others	(4)	(2)	320	-	-	-	314
Balance as of 30 June 2025	**6 986**	**11 288**	**17 132**	**95**	**239**	**-**	**35 740**
Net book value as of 30 June 2025	**709**	**1 609**	**8 647**	**33**	**63**	**-**	**11 201**
Net book value as of31 December 2024	**796**	**1 844**	**8 884**	**44**	**94**	**-**	**11 662**

NOTE 26 – INTANGIBLE ASSETS

As of June 30, 2025, and December 31, 2024, this heading is analysed as follows:

(thousand euros)

	30.06.2025	31.12.2024
Purchased from third parties		
Software	18 244	18 211
Others	-	82
	18 244	**18 293**
Work in progress	733	716
	18 977	**19 009**
Accumulated amortisations	(17 948)	(17 857)
	(17 948)	**(17 857)**
Total	**1 029**	**1 152**

The movement in this heading was as follows:

(thousand euros)

	Software	Other fixed assets	Work in progress	Total
Acquisition cost				
Balance as of 1 January 2024	**23 559**	**173**	**756**	**24 488**
Acquisitions				
Purchased from third parties	277	-	592	869
Write-offs / sales	(5 524)	(40)	-	(5 564)
Transfers:	190	(35)	(547)	(392)
Exchange differences	(291)	(16)	(85)	(392)
Balance as of 31 December 2024	**18 211**	**82**	**716**	**19 009**
Acquisitions				
Purchased from third parties	20	-	34	54
Write-offs / sales	-	(82)	-	(82)
Transfers:	16	-	(16)	-
Exchange differences	(3)	-	(1)	(4)
Balance as of 30 June 2025	**18 244**	**-**	**733**	**18 977**
Amortizations				
Balance as of 1 January 2024	**22 554**	**120**	**-**	**22 674**
Amortisations of the financial year	1 002	11	-	1 013
Write-offs / sales	(5 509)	(40)	-	(5 549)
Transfers:	35	(35)	-	-
Exchange differences	(272)	(9)	-	(281)
Balance as of 31 December 2024	**17 810**	**47**	**-**	**17 857**
Amortisations of the financial year	144	-	-	144
Write-offs / sales	-	(49)	-	(49)
Exchange differences	(4)	-	-	(4)
Balance as of 30 June 2025	**17 950**	**(2)**	**-**	**17 948**
Net book value as of 30 June 2025	**294**	**2**	**733**	**1 029**
Net book value as of31 December 2024	**401**	**35**	**716**	**1 152**

NOTE 27 – OTHER ASSETS

As of June 30, 2025, and December 31, 2024, the Other Assets heading is analysed as follows:

(thousand euros)

	30.06.2025	31.12.2024
Debtors and other assets		
Deposited collateral under clearing agreements	24 085	19 886
Public sector	57 261	53 692
Deposited collateral under clearing accounts (futures contracts)	3 842	5 642
Other sundry debtors	3 638	3 948
Loans and derivatives receivables	9 891	11 802
	98 717	**94 970**
Impairment losses for debtors and other investments	(6 037)	(6 048)
	92 680	**88 922**
Other assets		
Other liquid assets	2 169	1 040
Other assets	5 418	5 419
	7 587	**6 459**
Prepayments and deferred costs	**1 660**	**1 961**
Other sundry assets		
Exchange transactions pending settlement	2 674	610
Market securities transactions pending settlement	-	1 206
Other transactions pending settlement	1 258	4 084
	3 932	**5 900**
Retirement Benefits	13 407	10 669
Total	**119 264**	**113 911**

As at June 30, 2025, Public sector includes (i) an amount of 24 008 thousand euros (23 393 thousand euros as at December 31, 2024) related with a tax contingency, until 2014 (Note 35); (ii) and (13 976 thousand euros 12 479 thousand euros as at December 31, 2024) relating to ongoing tax proceedings since 2015 (Note 36).

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 7 982 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 Market securities transactions pending settlement shows the balance of orders for the sale and purchase of securities awaiting their financial settlement.

In December 2024, The Group have written off from other assets an amount of 7 921 of the accounts receivable (invoices issued to clients with 100 impairment – Note 31) that were overdue. Of this 1 075 were recorded in off-balance sheet accounts (Note 36).

The Group recognizes an accounts receivable written off from assets when it has no expectation of recovering an asset in full or in part. Accounts receivable written off from assets are recorded in off-balance sheet accounts (Note 36) and recoveries in other operating income and expense.

NOTE 28 – RESOURCES OF CREDIT INSTITUTIONS

The resources of credit institutions heading is presented as follows:

(thousand euros)

	30.06.2025	31.12.2024
Resources of other credit institutions		
Domestic		
Other resources	49 551	-
	49 551	**-**
Foreign		
Repurchase agreements	922 601	702 471
Other resources	242 221	244 199
	1 164 822	**946 670**
Total	**1 214 373**	**946 670**

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, 2025 and December 31, and 2025, the analysis of resources of credit institutions by residual maturity period is as follows:

(thousand euros)

	30.06.2025	31.12.2024
Up to three months	795 605	616 012
From three months to one year	285 759	6 880
From one to five years	116 502	306 278
More than five years	16 507	17 500
Total	**1 214 373**	**946 670**

The average interest rates for the period ended June 30, 2025, and December 31, 2024, 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)

	30.06.2025	31.12.2024
Repayable on demand		
Demand deposits	11 780	35 513
	11 780	**35 513**
Time deposits		
Fixed-term deposits	1 125 983	1 040 681
	1 125 983	**1 040 681**
Other resources		
Repurchase agreements	85 693	214 670
Other Deposits	2 048	2 184
	87 741	**216 854**
Total	**1 225 504**	**1 293 048**

The balance of repurchase agreements corresponds to the ongoing repo operations carried out in market with non-financial corporation counterparts.

As of June 30, 2025, and December 31, 2024, the analysis of due to customers by residual maturity period is as follows:

(thousand euros)

	30.06.2025	31.12.2024
Demand deposits	**11 780**	**35 513**
Fixed-term deposits		
Up to 3 months	277 464	343 782
3 to 12 months	421 611	386 048
1 to 5 years	426 908	310 851
	1 125 983	**1 040 681**
Other resources		
Up to 3 months	15 116	162 592
3 to 12 months	20 128	11 309
1 to 5 years	52 497	42 954
	87 741	**216 854**
Total	**1 225 504**	**1 293 048**

NOTE 30 – DEBT SECURITIES ISSUED

The debt securities issued heading can be divided as follows:

(thousand euros)

	30.06.2025	31.12.2024
Debt securities issued		
Other Bonds	272 563	318 413
Total	**272 563**	**318 413**

The fair-value of the portfolio regarding debt securities issued is presented in Note 38.

During 2025, Haitong Bank Group issued 66 166 thousand euros (December 31, 2024: 21 770 thousand euros) of bonds on June 30, 2025, and 105 957 thousand euros were repaid on June 30, 2025 (by June, 2024: 317 662 thousand euros).

The main characteristics of the debt securities issued in 2025 are as follows:

(thousand euros)

Issuer	Designation	Currency	30.06.2025			
			Issue Date	Book Value	Maturity	Interest Rate
Haitong Brasil	LF NOVA LF HAITONG DESAGIADA BRINTLC0AK40	BRL	2025	787	2029	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFI9D3	BRL	2025	2 712	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFI9E1	BRL	2025	822	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFI9F8	BRL	2025	8 218	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFI9G6	BRL	2025	575	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFI9H4	BRL	2025	1 642	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFI9I2	BRL	2025	6 403	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFI9J0	BRL	2025	1 806	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFI9K8	BRL	2025	2 463	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG DESAGIADA BRINTLLFI9L6	BRL	2025	1 580	2029	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFI9M4	BRL	2025	298	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFI9N2	BRL	2025	15 678	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFI9O0	BRL	2025	423	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFI9P7	BRL	2025	3 449	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFI9Q5	BRL	2025	1 199	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFI9R3	BRL	2025	901	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFI9S1	BRL	2025	1 568	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFI9T9	BRL	2025	7 839	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFI9U7	BRL	2025	1 561	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFI9V5	BRL	2025	2 138	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFI9W3	BRL	2025	1 888	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFI9X1	BRL	2025	546	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFI9Y9	BRL	2025	593	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFI9Z6	BRL	2025	172	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFIA07	BRL	2025	55	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFIA15	BRL	2025	31	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFIA23	BRL	2025	445	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFIA31	BRL	2025	86	2027	CDI 100%
Haitong Brasil	LF NOVA LF HAITONG BRINTLLFIA49	BRL	2025	289	2027	CDI 100%
Total				66 167		

The residual maturity of the debt securities issued, as of June 30, 2025, and December 31, 2024, is as follows:

(thousand euros)

	30.06.2025	31.12.2024
Up to three months	-	72 008
From three months to one year	38 921	64 994
From one to five years	233 642	181 411
Total	**272 563**	**318 413**

NOTE 31 – PROVISIONS AND IMPAIRMENT

As of June 30, 2025, and December 31, 2024, 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 1 January 2024	**7 878**	**1 989**	**9 867**
Net charge of the period	(3 343)	417	(2 926)
Amounts used	(952)	-	(952)
Foreign exchange differences and others	(309)	(177)	(486)
Balance as of 30 June 2024	**3 274**	**2 229**	**5 503**
Net charge of the period	2 072	(1 332)	740
Amounts used	(1 950)	-	(1 950)
Foreign exchange differences and others	(369)	(8)	(377)
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**

Provisions for guarantees and provisions for other commitments correspond to 1 419 thousand euros and 131 thousand euros respectively (December 31, of 2024: 728 thousand euros and 161 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)

	31.12.2024	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	-	-	-	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**

(thousand euros)

	30.06.2024	Net charge of the period	Amounts used	Stage 3	Exchange differences and others	31.12.2024
Cash and cash equivalents (Note 18)	1 925	390			63	2 378
Financial assets at fair value through other comprehensive income (Note 22)	2 482	(915)	(971)	200	(103)	693
Financial assets measured at amortised cost						
Loans and advances to banks (Note 23)	9	-	-	-	-	9
Loans and advances to customers (Note 24)	7 078	423	(1 872)	3	(81)	5 551
Securities (Note 22)	2 533	(472)	(787)	28	(108)	1 194
Other assets (Note 27)	13 665	455	(7 992)	-	(80)	6 048
Total	**27 692**	**(119)**	**(11 622)**	**231**	**(309)**	**15 873**

(thousand euros)

	31.12.2023	Net charge of the period	Amounts used	Stage 3	Exchange differences and others	30.06.2024
Cash and cash equivalents (Note 18)	1 865	-	-	-	60	1 925
Financial assets at fair value through other comprehensive income (Note 22)	2 983	124	(295)	(150)	(180)	2 482
Financial assets measured at amortised cost						
Loans and advances to banks (Note 23)	16	(7)	-	-	0	9
Loans and advances to customers (Note 24)	7 642	(455)	-	2	(111)	7 078
Securities (Note 22)	3 071	(309)	(85)	-	(144)	2 533
Other assets (Note 27)	12 479	1 187	-	-	(1)	13 665
Total	**28 056**	**540**	**(380)**	**(148)**	**(376)**	**27 692**

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 2025 and 2024 were calculated based on a nominal corporate income nominal tax rate of 20% 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, for the first semester of 2025 the deferred tax was calculated at the rate of 25.24%.

Law No. 45-A/2024, of December 31st (State Budget for 2025) was published, which decreed the decrease in the nominal IRC rate from 21% to 20% with effect from January 1st, 2025. Therefore, the deferred tax rate was changed accordingly.

Regarding activity in Portugal, Law No. 98/2019 was published on September 4, 2019, which changed the tax regime applicable to the impairment of financial and credit institution. That law establishes in article 4 an adaptation period of 5 years beginning on or after January 1, 2019, pursuant to which the regime in force on the date of entry into force of this law remains applicable, unless there is communication addressed to the Director-General of the Portuguese Tax Authority of the option for the definitive regime.

Starting in 2024, the Bank has automatically joined the new regime, given that the adaptation period of 5 years ended in 2023.

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 2025 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)
Total	**14 870**	**16 547**

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 the 2023, the Bank's shareholder also 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. For the year 2020, if shareholder do not exercise the right to acquire the conversion rights issued and attributed to the Portuguese State within the period established for that purpose, in the year in which the State exercises these rights, it will require the Bank to increase its capital by incorporating the amount of the special reserve and consequent issue and free delivery of ordinary shares representing the capital stock of the Bank, and it may be necessary to adjust the amount of the reserve initially constituted. According to legislation in force, Haitong Bank shareholder may exercise the rights to acquire conversion rights until three years from the conversion confirmation of the deferred tax assets into tax credit by the Tax Authority, which, in the case of the 2020, it will be until May 2026.

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 public accountant.

As Haitong Bank has determined, in its individual accounts, a positive net result with reference at December 31 2024 there was no possible converts' part of the deferred taxes covered by this regime into a tax credit, with reference to this financial year.

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 - (REAID) 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, the corrections in question are being challenged in a Judicial Court and for the year 2016 in a Hierarchical Appeal.

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 REAID 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 REAID 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. During the 2024 financial year, the Bank submitted a Hierarchical Appeal to contest the decision.

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 June 2025, 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%.

As at June 30, 2025, and December 31, 2024, current tax assets and liabilities can be analysed as follows:

(thousand euros)

	Asset		Liability	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
Corporate income tax	6 826	6 577	(9 115)	(11 549)
Tax Credit (Special Scheme for Deferred Taxes)	14 870	14 870	-	-
Current tax asset / (liability)	**21 696**	**21 447**	**(9 115)**	**(11 549)**

Deferred tax assets and liabilities recognized in the statement of financial position as June 30, 2025 and December 31, 2024 can be analysed as follows:

(thousand euros)

	Asset		Liability		Net	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024	30.06.2025	31.12.2024
Derivative financial instruments	(6 860)	57	-	-	(6 860)	57
Securities	1 682	1 971	-	-	1 682	1 971
Loans and advances to customers	10 330	11 112	-	-	10 330	11 112
Provisions and other assets	4 145	4 111	-	-	4 145	4 111
Pension Fund and Long-term employee benefits	4 414	5 084	-	-	4 414	5 084
Other	7 094	7 435	(5 387)	(5 573)	1 707	1 862
Tax losses carried forward	76 603	69 430	-	-	76 603	69 430
Deferred tax asset/(liability)	**97 408**	**99 200**	**(5 387)**	**(5 573)**	**92 021**	**93 627**
Net deferred tax asset / (liability)	**97 408**	**99 200**	**(5 387)**	**(5 573)**	**92 021**	**93 627**

The tax amount mentioned in "Others", in Portugal, corresponds to Branch tax credits (6 170 thousand euros) and reduction of deferred tax asset relating to fair value for profit and loss (- 563 thousand euros). The remaining amount corresponds to Brazil and essentially concerns deferred tax relating to legal contingencies (1 487 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, 30 057 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.

In the circumstances of the merger, the Bank has reassessed its business plan for the years 2025 to 2029, using a set of assumptions agreed with its current ultimate shareholder, and the results of this exercise have confirmed the recoverability of the Bank's tax losses carried forward.

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	30.06.2025	31.12.2024	Expiry Date
2018	7 738	7 738	2025
2019	645	645	No expiry
Total	**8 383**	**8 383**	

The movements in deferred taxes, in the balance sheet, can be presented as follows:

(thousand euros)

	30.06.2025	31.12.2024
Opening balance	**93 627**	**100 043**
Recognised in profit or loss	(538)	2 178
Recognised in fair value reserves	(122)	(311)
Recognised in other reserves	(687)	(133)
Foreign exchange variation and others	(259)	(8 150)
Closing balance (Asset / (Liability))	**92 021**	**93 627**

Tax recognised in the income statement and reserves as at June 30, 2025, and June 30, 2024, had the following source:

(thousand euros)

	30.06.2025		30.06.2024	
	Recognised in profit or loss	Recognised in reserves	Recognised in profit or loss	Recognised in reserves
Deferred Taxes				
Derivative financial instruments	7 078	-	(1 626)	-
Securities	-	122	-	112
Loans and advances to customers	769	-	1 393	-
Provisions and other assets	(173)	-	141	-
Pension Fund	(17)	687	31	
Depreciations (IFRS 16)	-	-	1 780	-
Other	304	-	707	-
Tax losses carried forward	(7 423)	-	(1 304)	-
	538	**809**	**1 122**	**112**
Current Taxes	1 448	-	2 530	-
Total recognised tax	**1 986**	**809**	**3 652**	**112**

Reconciliation of the tax rate, concerning the recognised amount in the income statement, can be analysed as follows:

(thousand euros)

	30.06.2025		30.06.2024	
	%	Value	%	Value
Profit or loss before tax and Non-controlling interests		**3 103**		**8 509**
Income tax rate of Haitong Bank	25.2		26.2	
Tax determined based on the income tax rate of Haitong Bank		783	-	2 233
Difference in the tax rate of subsidiaries	1.5	48	(7.7)	(653)
Bank Levy	11.2	347	5.5	467
Unrecognised tax losses	0.4	12	-	-
Branches' income tax	16.4	507	17.8	1 517
Differences arising from consolidation	3.2	102	(3.4)	(293)
Other movements according to the tax estimation	4.6	143	3.7	317
Autonomous taxation	1.4	44	0.8	64
Total	**63.9**	**1 986**	**42.9**	**3,652**

NOTE 33 – OTHER LIABILITIES

As of June 30, 2025, and December 31, 2024, the other liabilities heading is analysed as follows:

(thousand euros)

	30.06.2025	31.12.2024
Creditors and other resources		
Public administrative sector	16 776	16 624
Deposited collateral under clearing agreements (Note 15)	11 947	6 750
Sundry creditors		
Leasing liabilities	9 437	9 961
Creditors from transactions with securities	567	907
Suppliers	672	1 136
Other sundry creditors	2 492	4 143
	41 891	**39 521**
Accrued expenses		
Career bonuses (Note 15)	465	486
Other accrued expenses	5 862	5 447
	6 327	**5 933**
Deferred income	**349**	**368**
Other sundry liabilities		
Stock exchange transactions pending settlement	7 012	-
Foreign exchange transactions pending settlement	2 610	605
Other transactions pending settlement	4 595	15 503
	14 217	**16 108**
Total	**62 784**	**61 930**

The Public Administrative Sector item includes 13 917 thousand euros (December 31, 2024: 12 445 thousand euros) payable in PIS/Cofins contributions, incurred after December 31, 2014 (Note 36)

As of June 30, 2025, and December 31, 2024, 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 share capital of Haitong Bank S.A. by 2 630 thousand euros on July 1, 2022, and by 15 879 thousand euros on December 6, 2022, bringing the share capital to 863 278 thousand euros.

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.

These capital increases in 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, and in the case of the 2022 capital increase, this relates to the 2015 tax year, issued under the Special Regime applicable to Deferred Tax Assets (REAID).

As of June 30, 2025, and December 31, 2024, Haitong Bank's share capital amounts to 871 278 thousand euros (December 31, 2023: 871,278 thousand euros) and is represented by 174 255 532 shares (December 2023: 174 255 532 shares) with a nominal value of 5 euros each, fully held by Haitong International Holdings Limited.

Share premiums

On June 30, 2025 December 31, 2024, and June 30, 2024 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 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 2023. 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 16 547 thousand euros on December 31, 2024 and 30 of June of 2025.

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 1 January 2024	(6 991)	2 115	(4 876)	39 878	(21 010)	(164 521)	(222 201)	(367 854)
Actuarial gains/losses	-	-	-	-	(1 981)	-	-	(1 981)
Changes in fair value	3 312	(311)	3 001	-	-	-	-	-
Foreign exchange differences	-	-	-	-	-	(15 058)	-	(15 058)
Transfer to reserves	-	-	-	-	-	-	17 262	17 262
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	-	-	-	-	2 069	-	-	2 069
Changes in fair value	(687)	(122)	(809)	-	-	-	-	-
Foreign exchange differences	-	-	-	-	-	(193)	-	(193)
Transfer to reserves	-	-	-	-	-	-	5 078	5 078
Balance as of 30 June 2025	(4 366)	1 682	(2 684)	39 878	(20 922)	(179 772)	(199 861)	(360 677)

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)

	30.06.2025	31.12.2024
Opening balance	(1 875)	(4 876)
Fair value changes	(1 520)	4 113
Fair value hedge	408	(10)
Impairment recognised in the period	425	(791)
Deferred taxes recognised in reserves during the period	(122)	(311)
Closing balance	(2 684)	(1 875)

Non-controlling interests

The Non-controlling interests heading information per subsidiary is as follows:

(thousand euros)

	30.06.2025		31.12.2024	
	Balance sheet	Income statement	Balance sheet	Income statement
Haitong Banco de Investimento do Brasil S.A.	4 459	(193)	5 853	-1077
Haitong Securities do Brasil S.A.	3 646	103	3 553	203
Haitong Negócios S.A.	6 596	231	6 383	340
Haitong do Brasil DTVM S.A.	1 477	41	1 438	74
FI Multimercado Treasury	1 642	(78)	322	28
Total	**17 820**	**104**	**17 549**	**(432)**

The movement of Non-controlling interests of the periods ended on the June 30, 2025, and December 31, 2024, can be analysed as follows:

(thousand euros)

	30.06.2025	31.12.2024
Opening balance	**17 549**	**22 781**
Dividends paid	-	(632)
Changes in fair value reserve	206	(404)
Exchange difference and other	(39)	(3 764)
Net income for the period	104	(432)
Closing balance	**17 820**	**17 549**

NOTE 36 – CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

As of June 30, 2025, and December 31, 2024, off-balance elements are as follows:

(thousand euros)

	30.06.2025	31.12.2024
Contingent liabilities		
Guarantees and stand by letters of credit	89 488	111 490
Assets pledged as collateral	1 354 066	1 262 887
Total	**1 443 554**	**1 374 377**
Commitments		
Irrevocable commitments	52 723	62 120
Rrevocable commitments	47 981	36 131
Total	**100 704**	**98 251**

The guarantees and standby letters of credit are banking transactions that do not necessarily represent any outflow for the Group.

As at June 30, 2025, and December 31, 2024, 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 (31st of December, 2024: 10 000 thousand euros), (ii) within the scope of Interbank Clearing System [Sistema de Compensação Interbancária], amounting to 4 000 thousand euros (31st of December, 2024: 2 000 thousand euros); and (iii) 176 742 thousand euros of collaterals not discounted (31st of December, 2024: 216 242 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 Banco de Portugal amounting to 207 757 thousand euros (31 December 2024: 260 574 thousand euros); and
- Securities pledged as collateral to the Portuguese Securities Market Commission within the Investor Compensation Scheme in the amount of 253 thousand euros (31st of December 2024: 250 thousand euros);
- Securities pledged as collateral within the scope of transactions with repurchase agreements: 1 071 701 thousand euros (31st of December 2024: 969 510 thousand euros);

- Securities pledged as collateral within the scope of derivatives compensation contracts: 74 355 thousand euros (31st of December 2024: 32 553 thousand euros);

The nominal value of the contracted derivative positions is presented in Notes 20 and 21.

Securities received in operations with resale agreements (Note 23) have a fair value of 118 238 thousand euros (31 December 2024: 14 301 thousand euros).

Additionally, the off-balance elements related to banking services provided are as follows:

	30.06.2025	31.12.2024
Liabilities related to services provided		
Commercial paper programmes agency	80 650	43 700
Other responsibilities related with services provided	227 561	222 783
Total	**308 211**	**266 483**

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 8 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, 49 cases have already been res judicata with the total acquittal of Haitong Bank and 21 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. The claimants argue that the Bank breached its obligations as an Escrow Agent.

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. The claimants have appealed from such decision to the Supreme Court, which confirmed the Appeal Court decision. Regarding Haitong Bank, the judicial process will proceed in the first instance civil court and Haitong Bank has requested the suspension of the civil action until a decision of the arbitral court regarding the dispute between the claimants and the other former defendant is reached.

In Brazil, the constitutionality of the law applicable to the levy of contributions to the Social Integration Program ("PIS") and the Social Security Financing ("Cofins") on other revenues other than those arising from the sale of goods and the provision of services is currently under judicial discussion. Supported by a court decision, the Group in Brazil make monthly deposits of the amounts subject to judicial discussion and deliver directly to the tax authorities only those amounts that affect service revenues, which are not subject to this discussion.

The amounts under judicial deposit are recorded on the balance sheet under other assets. Based on opinions from its legal advisors, the Group understands that the likelihood of an unfavorable court decision against the Bank regarding contributions up to December 31, 2014 (Law No. 12,973/14) is less than 50%.

Resolution Fund

The Resolution Fund is a legal entity under public law with administrative and financial autonomy, created by Decree Law no. 31-A/2012, of 10 February, which is governed by the General Regime of Credit Institutions and Financial Companies ("RGICSF") and by its regulations and whose mission is to provide financial support to the resolution measures applied by the Banco de Portugal, in the capacity of the national resolution authority, and to perform all the other functions granted by the law related with the execution of these measures.

Like most of the financial institutions operating in Portugal, the Bank is one of the participants in the Resolution Fund, making contributions that result from the application of a rate defined annually by Banco de Portugal, which is based on the amount of its liabilities. In June 30, 2025, the Bank's periodical contribution amounted to 390 thousand euros (December 31, 2024: 350 thousand euros), based on a contribution rate of 0.039% calculated pursuant to Instruction 28/2023 of Banco de Portugal.

As part of its responsibility as the authority of supervision and resolution of the Portuguese financial sector, on August 3, 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 *Regime Geral das Instituições de Crédito e Sociedades Financeiras* (RGICSF), which consisted in the transfer of the majority of its activity to a transition bank, called Novo Banco, S.A. (“Novo Banco”), created especially for this purpose.

To make up the share capital of the Novo Banco, the Resolution Fund provided 4 900 million Euros, of which, 377 million euros corresponded to its own financial resources. A loan of 700 million euros was also granted by a bank syndicate to the Resolution Fund, the participation of each credit institution being weighted according to diverse factors, including the respective size. The remaining amount (3 823 million euros) was from a refundable loan granted by the Portuguese State.

In December 2015, the national authorities decided to sell the majority of assets and liabilities associated to the activity of Banif – Banco Internacional do Funchal, S.A. (“Banif”) to Banco Santander Totta, S.A. (“Santander Totta”), for 150 million euros, also in the context of the application of a resolution measure. This operation involved an estimated amount of 2 255 million euros in public funds which aimed to cover future contingencies, of which 489 million euros was financed 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 the purpose – Oitante, S.A., with the Resolution Fund being the sole holder of its share capital, through the emission of bonds representative of the debt of this vehicle, amounting to 746 million euros, with the guarantee of the Resolution Fund and counter-guarantee of the Portuguese State.

The resolution measures applied in 2014 to the BES (a process that gave rise to the creation of Novo Banco) and in 2015 to Banif created uncertainties related with the risk of litigation involving the Resolution Fund, which is significant, and also with the risk of the possible shortage of funds to cover the liabilities, in particular the short-term reimbursement of the financing taken out.

It was in this context that in the second semester of 2016 that the Portuguese Government reached an agreement with the European Commission, in order to alter the conditions of the financing granted by the Portuguese State and by the banks participating in the Resolution Fund in order to preserve financial stability, by means of fostering conditions that would grant predictability and stability to the contributory effort towards the Resolution Fund. For the purpose, a supplement to the loan contracts to the Resolution Fund was formalised, which introduced a series of alterations to the reimbursement plans, to the rates of remuneration and other terms and conditions associated to these loans in order to adjust them to the capacity of the Resolution Fund to fully meet its obligations based on its normal revenue, or rather, without the need to charge special contributions or any other type of extraordinary contribution from the banks participating in the Resolution Fund.

According to the statement of the Resolution Fund of 31 March 2017, the review of the conditions of the financing granted by the Portuguese State and by the participating banks aimed to ensure the sustainability and financial equilibrium of the Resolution Fund, based on a stable, predictable and affordable charge for the banking sector. Based on this review, the Resolution Fund assumed that the full payment of the responsibilities of the Resolution Fund is ensured, and also the respective remuneration, without the need for the banking sector to resort to special contributions or any other type of extraordinary contributions.

Additionally on 31 March 2017, the Banco de Portugal advised that it had selected the Lone Star Fund for the purchase of Novo Banco, which was concluded on 17 October 2017. The Lone Star Fund became the owner of 75% of the share capital of Novo Banco and the

Resolution Fund the remaining 25%. Furthermore, the conditions approved include a contingent funding mechanism, pursuant to which the Resolution Fund, as a shareholder, may be called on to make injections of capital if certain cumulative conditions arise. The possible capital injections to be made pursuant to this contingent mechanism are subject to an absolute maximum limit of 3 890 million euros during a period of 8 years. On 18 October 2017, Banco de Portugal and the Resolution Fund announced the decision to conclude the sale of Novo Banco to Lone Star.

Given the renegotiation of the conditions of the loans granted to the Resolution Fund by the Portuguese State and by the Bank syndicate, in which the Bank is not included, and the public statements made by the Resolution Fund and by the Office of the Minister for Finance which mention that this possibility will not be used, although this possibility is contemplated in the applicable legislation on the payment of special contributions, these financial statements do not reflect any eventual future requirement for the Bank to make special contributions or any extraordinary contributions to finance the resolution measures applied to BES and to Banif, and also the contingent funding mechanism mentioned in the previous paragraph.

NOTE 37 – RELATED PARTIES TRANSACTIONS

The Group's related parties transactions as of June 30, 2025, and December 31, 2024, as well as the respective expenses and income recognised in the year, are summarized as follows:

(thousand euros)

	30.06.2025					
	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	-	-	-	-	-	9
HAITONG INVESTMENT IRELAND PLC	33 001	108	33 109	4 232	1 155	12
HAITONG PRIVATE EQUITY FUND	-	34	34	298	(240)	1
HAITONG UT BRILLIANT LIMITED	-	-	-	-	16	-
TOTAL	**33 001**	**142**	**33 143**	**4 530**	**935**	**22**

(thousand euros)

	31.12.2024					
	Assets			Liabilities	Income	Expenses
	Credit	Others	Total			
Subsidiaries and associates of shareholders						
HAITONG INTERNATIONAL SECURITIES CO LTD	-	-	-	-	-	18
HAITONG INTERNATIONAL FINANCE HOLDINGS LIMITED	-	-	-	-	201	-
HAITONG INVESTMENT IRELAND PLC	36 645	-	36 645	7 257	2 858	30
HAITONG PRIVATE EQUITY FUND	-	-	-	421	194	13
HAITONG UT BRILLIANT LIMITED	-	-	-	-	1	-
TOTAL	**36 645**	**-**	**36 645**	**7 678**	**3 254**	**61**

As of June 30, 2025, the income heading includes (112) thousand euros concerning fee and commission income heading from banking services (December 31, 2024: 638 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, 2025, and December 31, 2024, as well as the respective costs and income recognized in the period, are summarized as follows:

(thousand euros)

	30.06.2025					
	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	-	-	-	-	-	9
HAITONG INVESTMENT IRELAND PLC	33 001	108	33 109	4 232	1 155	12
HAITONG PRIVATE EQUITY FUND	-	34	34	298	(240)	1
HAITONG UT BRILLIANT LIMITED	-	-	-	-	16	-
TOTAL	**33 001**	**142**	**33 143**	**4 530**	**935**	**22**

(thousand euros)

	31.12.2024					
	Assets			Liabilities	Income	Expenses
	Credit	Others	Total			
Subsidiaries and associates of shareholders						
HAITONG INTERNATIONAL SECURITIES CO LTD	-	-	-	-	-	18
HAITONG INTERNATIONAL FINANCE HOLDINGS LIMITED	-	-	-	-	201	-
HAITONG INVESTMENT IRELAND PLC	36 645	-	36 645	7 257	2 858	30
HAITONG PRIVATE EQUITY FUND	-	-	-	421	194	13
HAITONG UT BRILLIANT LIMITED	-	-	-	-	1	-
TOTAL	**36 645**	**-**	**36 645**	**7 678**	**3 254**	**61**

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 2025						
Cash and cash equivalents	16 485	-	-	-	16 485	16 485
Financial assets held for trading						
Securities	-	39 091	850 182	939	890 212	890 212
Derivative financial assets	-	-	28 165	-	28 165	28 165
Non-trading financial assets mandatorily at fair value through profit or loss						
Securities	-	-	5 453	10 982	16 435	16 435
Loans and advances to customers	-	-	-	24	24	24
Financial assets at fair value through other comprehensive income	-	213 025	80 681	102 351	396 057	396 057
Financial assets measured at amortised cost						
Securities	553 274	-	-	-	553 274	548 250
Loans and advances to banks	656 019	-	-	-	656 019	656 019
Loans and advances to customers	760 642	-	-	-	760 642	756 194
Financial assets	**1 986 420**	**252 116**	**964 481**	**114 296**	**3 317 313**	**3 307 841**
Financial liabilities held for trading						
Securities	-	-	96 281	-	96 281	96 281
Derivative financial liabilities	-		37 524	-	37 524	37 524
Financial liabilities measured at amortised cost						
Resources of credit institutions	1 214 373	-	-	-	1 214 373	1 212 731
Resources of customers	1 225 504	-	-	-	1 225 504	1 154 818
Debt securities issued	272 563	-	-	-	272 563	270 647
Financial liabilities	**2 712 440**	**-**	**133 805**	**-**	**2 846 245**	**2 772 000**
Balance as of 31 December 2024						
Cash and cash equivalents	38 159	-	-	-	38 159	38 159
Financial assets held for trading						
Securities	-	39 938	726 267	4 697	770 902	770 902
Derivative financial assets	-	-	23 821	-	23 821	23 821
Non-trading financial assets mandatorily at fair value through profit or loss						
Securities	-	-	5 115	11 922	17 037	17 037
Loans and advances to customers	-	-	-	23	23	23
Financial assets at fair value through other comprehensive income	-	207 083	96 176	54 185	357 444	357 444
Financial assets measured at amortised cost						
Securities	617 566	-	-	-	617 566	608 926
Loans and advances to banks	512 202	-	-	-	512 202	512 202
Loans and advances to customers	718 758	-	-	-	718 758	715 164
Financial assets	**1 886 685**	**247 021**	**851 379**	**70 827**	**3 055 912**	**3 043 678**
Financial liabilities held for trading						
Securities	-	817	-	-	817	817
Derivative financial liabilities	-		23 131	-	23 131	23 131
Financial liabilities measured at amortised cost						
Resources of credit institutions	946 670	-	-	-	946 670	942 691
Resources of customers	1 293 048	-	-	-	1 293 048	1 288 225
Debt securities issued	318 413	-	-	-	318 413	314 273
Financial liabilities	**2 558 131**	**817**	**23 131**	**-**	**2 582 079**	**2 569 137**

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 derivate).

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. For the purposes of calculating the CVA, LGD, PD and Collateral Ratio are used, among others.

For financial instruments recorded in the balance sheet at fair value, the movement occurred between June 30, 2025, and December 31, 2024, 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 2024	**4 697**	**11 922**	**23**	**54 185**	**70 827**
Results recognised in Net Interest Margin	221	946	-	894	**2 061**
Net trading income and from other financial instruments at fair value through profit or loss	(24)	(741)	1	(82)	**(846)**
Net gains/(losses) derecognition of financial assets measured at fair value through other comprehensive income	-	-	-	160	**160**
Impairment on other financial assets net of reversal and recoveries	-	-	-	(239)	**(239)**
Other fair value changes	(10)	(9)	-	(14)	**(33)**
Acquisitions	939	8	-	47 586	**48 533**
Sales	(4 884)	(1 144)	-	(10 951)	**(16 979)**
Transfers from other levels	-	-	-	20 123	**20 123**
Transfers to other levels	-	-	-	(9 311)	**(9 311)**
Balance as of 30 June 2025	**939**	**10 982**	**24**	**102 351**	**114 296**

In June 2025, based on the assessment of the market liquidity of the securities, Investment Securities (Financial Assets at FVTOCI) of 20 123 thousand euros were transferred from Level 2 to Level 3 and 9 311 thousand euros from Level 3 to Level 2.

Regarding to the derivative instruments, between January 2024 and December 2024:

(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 2023	**8 410**	**2 114**	**8 354**	**24**	**64 668**	**83 570**
Results recognised in Net Interest Margin	610	-	943	-	4 095	**5 648**
Net trading income and from other financial instruments at fair value through profit or loss	3	285	491	(1)	-	**778**
Net gains/(losses) derecognition of financial assets measured at fair value through other comprehensive income	-	-	-	-	(1 418)	**(1 418)**
Impairment on other financial assets net of reversal and recoveries	-	-	-	-	(118)	**(118)**
Other fair value changes	(1 219)	(2 234)	(575)	-	(4 003)	**(8 031)**
Fair value reserve changes	-	-	-	-	1 344	**1 344**
Acquisitions	-	-	2 888	-	30 919	**33 807**
Sales	-	-	(179)	-	(15 546)	**(15 725)**
Reimbursements	(3 131)	-	-	-	(4 618)	**(7 749)**
Transfers from other levels	24	-	-	-	9 311	**9 335**
Transfers to other levels	-	(165)	-	-	(30 449)	**(30 614)**
Balance as of 31 December 2024	**4 697**	**-**	**11 922**	**23**	**54 185**	**70 827**

In December 2024, based on the assessment of the market liquidity of the securities, Investment Securities (Financial Assets at FVTOCI) of 30 449 thousand euros were transferred from Level 3 to Level 2 and of 9 311 thousand euros from Level 1 to Level 3.

Also, based on the assessment of the market liquidity of the securities, trading securities (Financial Assets HFT) of 24 thousand euros were transferred from Level 1 to Level 3.

Regarding the derivative instruments, between January and December 2024, 165 thousand euros were transferred from Level 3 to Level 2, resulting from changes in CVA’s impact on the valuation of the derivative, which exceeded 5% in December 2023.

The main parameters used, during 2025, in the valuation models were the following:

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:

(%)

	30.06.2025			31.12.2024		
	EUR	USD	GBP	EUR	USD	GBP
Overnight	1.93	4.39	5.24	2.92	4.37	5.52
1 month	1.93	4.33	5.35	2.85	4.32	5.72
3 months	1.94	4.30	5.23	2.71	4.30	5.74
6 months	2.05	4.15	5.04	2.57	4.25	5.70
1 year	1.88	3.87	4.76	2.02	4.18	5.62
3 years	2.10	3.40	4.23	2.19	4.05	5.04
5 years	2.27	3.43	4.25	2.25	4.04	5.00
7 years	2.42	3.53	4.38	2.29	4.05	5.05
10 years	2.61	3.69	4.59	2.36	4.07	5.16
15 years	2.79	3.88	4.91	2.42	4.12	5.33
20 years	2.82	3.96	5.09	2.36	4.10	5.46

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
30.06.2025				
CDX USD Main	30.51	51.06	71.07	90.78
iTraxx Eur Main	31.62	54.51	74.36	94.80
iTraxx Eur Senior Financial	-	58.73	-	95.46
31.12.2024				
CDX USD Main	29.85	49.84	70.45	90.23
iTraxx Eur Main	35.24	57.65	77.48	97.96
iTraxx Eur Senior Financial	-	63.78	-	101.40

Interest rate volatilities

The following figures reflect at-the-money implied volatilities:

(%)

	30.06.2025			31.12.2024		
	EUR	USD	GBP	EUR	USD	GBP
1 year	42.47	71.23	50.91	68.79	70.16	64.55
3 years	66.97	96.20	84.30	83.63	101.12	98.52
5 years	74.97	97.37	94.76	86.08	103.76	104.74
7 years	77.34	97.61	98.65	85.52	103.64	105.89
10 years	77.78	96.88	100.73	83.59	102.38	104.96
15 years	76.04	95.34	101.02	79.71	98.48	102.36

Foreign exchange rate and volatilities

The table below reflects ECB's foreign exchange rates fixings and at-the-money implied volatilities:

	Exchange rate		Volatiliy (%)				
	30.06.2025	31.12.2024	1 month	3 months	6 months	9 months	1 year
EUR/USD	1.1720	1.0389	8.43	8.06	7.82	7.80	7.75
EUR/GBP	0.8555	0.8292	4.26	4.58	4.89	5.08	5.21
EUR/CHF	0.9347	0.9412	5.53	5.67	5.73	5.81	5.86
EUR/PLN	4.2423	4.2750	6.91	5.76	6.53	6.53	6.52
EUR/CNY	8.3970	7.5833	6.91	6.76	6.53	6.53	6.52
USD/BRL a)	5.4935	6.1847	11.11	12.07	12.86	13.43	13.80

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.

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.

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 2024 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 (% of change of constant prices)		Global Inflation (% change in average CPI)		EURIBOR 3-months rate (rate)	
Scenario / Year	Downside	Base	Downside	Base	Downside	Base
2025	2.50%	3.25%	4.00%	4.32%	3.50%	2.50%
2026	2.75%	3.27%	4.00%	3.63%	3.50%	2.20%
2027	2.75%	3.15%	5.00%	3.36%	3.50%	2.16%

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 2024 led to a decrease of impairment of approximately 413 thousand euros.

Haitong Bank also carried out a sensitivity analysis, as of December 31st, 2024, 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 around 503 thousand euros and 612 thousand euros, respectively. 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 189 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, 2025, and December 31, 2024. 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 885 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	30.06.2025											
	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		Low to Fair risk [aaa+;a-]	Monitoring [bbb+;b-]	Doubtful [lccc]	Not rated		Impaired [d]		
Loans and advances to customers	52 476	662 711	-	**715 187**	16 658	23 885	-	-	**40 543**	12 489	**12 489**	**768 219**
Loan commitments	2 100	78 241	-	**80 341**	-	-	-	-	**-**	363	**363**	**80 704**
Guarantees	21 650	57 274	-	**78 924**	-	-	-	-	**-**	10 564	**10 564**	**89 488**
Securities	53 838	890 462	-	**944 300**	-	8 976	-	-	**8 976**	3 911	**3 911**	**957 187**
Loans and advances to banks	475 115	180 927	-	**656 042**	-	-	-	-	**-**	-	**-**	**656 042**
Cash equivalents	8 767	5 142	-	**13 909**	-	-	-	-	**-**	3 454	**3 454**	**17 363**
Debtors and other assets	-	-	892	**892**	-	-	-	-	**-**	12 637	**12 637**	**13 529**
Commitments to Third Parties	-	20 000	-	**20 000**	-	-	-	-	**-**	-	**-**	**20 000**
Total	**613 946**	**1 894 757**	**892**	**2 509 595**	**16 658**	**32 861**	**-**	**-**	**49 519**	**43 418**	**43 418**	**2 602 532**

The rating distribution presented above is based on the internal rating methodology of the Bank. As of June 30, 2025, and December 2024, the majority of non-rated exposures relates to other debtors' transactions.

As of June 30, 2025, the maximum exposure to credit risk of financial assets not subject to impairment requirements amounts to 4.9 million euros (December 31, 2024: 28.2 million euros) corresponding to exposures to Central banks.

(thousand euros)

Asset Type	31.12.2024									
	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	73 378	618 432	-	**691 810**	25 583	-	**25 583**	6 940	**6 940**	**724 333**
Loan commitments	2 100	75 799	-	**77 899**	-	-	**-**	352	**352**	**78 251**
Guarantees	30 796	70 716	-	**101 512**	-	9 606	**9 606**	372	**372**	**111 490**
Securities	107 349	862 005	-	**969 354**	10 126	-	**10 126**	3 788	**3 788**	**983 268**
Loans and advances to banks	449 505	62 706	-	**512 211**	-	-	**-**	-	**-**	**512 211**
Cash equivalents	32 487	3 866	284	**36 637**	-	-	**-**	3 898	**3 898**	**40 535**
Debtors and other assets	-	-	431	**431**	-	-	**-**	15 319	**15 319**	**15 750**
Commitments to Third Parties	-	20 000	-	**20 000**	-	-	**-**	-	**-**	**20 000**
Total	**695 615**	**1 713 524**	**715**	**2 409 854**	**35 709**	**9 606**	**45 315**	**30 669**	**30 669**	**2 485 838**

The table below compiles all financial instruments at amortized cost by industry, stage and days of delay as of June 30, 2025, and December 31, 2024:

(thousand euros)

	30.06.2025																							
	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)					
Financial instruments at Amortised cost (including financial guarantees) by industry, stage and past due status	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	-	-	-	-	-	-	-	-	3 648	80	3 648	80	-	-	-	-	-	-	-	-	3 648	80
Automobiles & Components	49 471	201	-	-	-	-	49 471	201	-	-	-	-	-	-	-	-	-	-	-	-	49 471	201
Banks	678 873	34	-	-	-	-	678 873	34	-	-	-	-	3 454	880	6	1	-	-	3 460	881	682 333	915
Broker Dealers	175	1	-	-	-	-	175	1	-	-	-	-	-	-	-	-	-	-	-	-	175	1
Building Materials	11 040	28	-	-	-	-	11 040	28	16 658	66	16 658	66	-	-	-	-	186	186	186	186	27 884	280
Capital Goods	41 512	10	-	-	-	-	41 512	10	-	-	-	-	-	-	-	-	-	-	-	-	41 512	10
Chemicals	22 062	40	-	-	-	-	22 062	40	16 484	1 594	16 484	1 594	5 690	802	-	-	570	570	6 260	1 372	44 806	3 006
Commercial & Professional Services	39 463	572	-	-	-	-	39 463	572	-	-	-	-	3 893	1 128	5	5	-	-	3 898	1 133	43 361	1 705
Construction & Engineering	112 338	105	213	2	-	-	112 551	107	-	-	-	-	-	-	-	-	378	378	378	378	112 929	485
Consumer Durables & Apparel	18 044	86	-	-	-	-	18 044	86	-	-	-	-	1 804	60	-	-	-	-	1 804	60	19 848	146
Food, Beverage & Tobacco	34 236	121	-	-	-	-	34 236	121	-	-	-	-	-	-	-	-	-	-	-	-	34 236	121
Funds & Asset Managers	413	-	-	-	-	-	413	-	-	-	-	-	-	-	-	-	-	-	-	-	413	-
Governments	324 628	444	-	-	-	-	324 628	444	-	-	-	-	-	-	-	-	-	-	-	-	324 628	444
Health Care	11 322	4	-	-	-	-	11 322	4	-	-	-	-	-	-	-	-	-	-	-	-	11 322	4
Media & Entertainment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Metals & Mining	44 227	93	-	-	-	-	44 227	93	-	-	-	-	-	-	-	-	-	-	-	-	44 227	93
Non Bank Financial Institutions	64 846	344	-	-	-	-	64 846	344	-	-	-	-	-	-	-	-	-	-	-	-	64 846	344
Oil & Gas	126 426	294	-	-	-	-	126 426	294	-	-	-	-	-	-	-	-	-	-	-	-	126 426	294
Paper & Forest Products	22 610	14	-	-	-	-	22 610	14	-	-	-	-	-	-	-	-	-	-	-	-	22 610	14
Power	135 554	501	-	-	-	-	135 554	501	-	-	-	-	-	-	-	-	-	-	-	-	135 554	501
Real estate	101 275	494	-	-	-	-	101 275	494	3 753	278	3 753	278	-	-	-	-	-	-	-	-	105 028	772
Rental & Leasing	12 768	113	-	-	-	-	12 768	113	-	-	-	-	-	-	-	-	-	-	-	-	12 768	113
Retailing	23 152	112	-	-	-	-	23 152	112	-	-	-	-	-	-	-	-	-	-	-	-	23 152	112
Telecoms	106 371	331	102	1	50	1	106 523	333	-	-	-	-	10 351	1 351	-	-	11	11	10 362	1 362	116 885	1 695
Transportation	16 923	43	-	-	-	-	16 923	43	-	-	-	-	-	-	-	-	-	-	-	-	16 923	43
Transportation Infrastructure	99 729	110	-	-	125	1	99 854	111	(1)	-	(1)	-	1 656	643	-	-	9 891	4 063	11 547	4 706	111 400	4 817
Water Utilities	21 559	77	-	-	-	-	21 559	77	-	-	-	-	-	-	-	-	-	-	-	-	21 559	77
Others	-	-	247	2	109	2	356	4	-	-	-	-	-	-	44	5	1 548	809	1 592	814	1 948	818
Total	**2 119 017**	**4 172**	**562**	**5**	**284**	**4**	**2 119 863**	**4 181**	**40 542**	**2 018**	**40 542**	**2 018**	**26 848**	**4 864**	**55**	**11**	**12 584**	**6 017**	**39 487**	**10 892**	**2 199 892**	**17 091**

(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)

Financial instruments at Amortised cost (including financial guarantees) by industry, stage and past due status	31.12.2024																					
	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	-	-	-	-	-	-	-	-	4 724	105	4 724	105	-	-	-	-	-	-	-	-	4 724	105
Agricultural Cooperatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Automobiles & Components	45 570	113	-	-	-	-	45 570	113	-	-	-	-	-	-	-	-	-	-	-	-	45 570	113
Banks	573 203	34	-	-	-	-	573 203	34	-	-	-	-	3 897	2 378	-	-	-	-	3 897	2 378	577 100	2 412
Broker Dealers	6 217	1	-	-	-	-	6 217	1	-	-	-	-	-	-	-	-	-	-	-	-	6 217	1
Building Materials	30 782	61	-	-	-	-	30 782	61	-	-	-	-	-	-	-	-	189	189	189	189	30 971	250
Capital Goods	42 133	14	-	-	-	-	42 133	14	-	-	-	-	-	-	-	-	-	-	-	-	42 133	14
Chemicals	20 557	35	-	-	-	-	20 557	35	15 923	706	15 923	706	-	-	-	-	2 483	572	2 483	572	38 963	1 313
Commercial & Professional Services	39 436	568	-	-	-	-	39 436	568	-	-	-	-	4 089	1 256	5	5	-	-	4 094	1 261	43 530	1 829
Construction & Engineering	96 330	61	7	-	-	-	96 337	61	-	-	-	-	-	-	-	-	378	378	378	378	96 715	439
Consumer Durables & Apparel	18 050	85	-	-	-	-	18 050	85	-	-	-	-	1 841	-	-	-	-	-	1 841	-	19 891	85
Containers & Packaging	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food, Beverage & Tobacco	19 263	46	-	-	-	-	19 263	46	-	-	-	-	-	-	-	-	-	-	-	-	19 263	46
Funds & Asset Managers	5 996	4	-	-	-	-	5 996	4	-	-	-	-	-	-	-	-	-	-	-	-	5 996	4
Governments	327 970	359	-	-	-	-	327 970	359	-	-	-	-	-	-	-	-	-	-	-	-	327 970	359
Health Care	12 205	7	97	1	-	-	12 302	8	-	-	-	-	-	-	-	-	-	-	-	-	12 302	8
Media & Entertainment	-	-	62	1	-	-	62	1	-	-	-	-	-	-	-	-	-	-	-	-	62	1
Metals & Mining	47 509	98	-	-	-	-	47 509	98	-	-	-	-	-	-	-	-	-	-	-	-	47 509	98
Non Bank Financial Institutions	41 054	345	-	-	-	-	41 054	345	-	-	-	-	-	-	-	-	-	-	-	-	41 054	345
Oil & Gas	122 191	323	-	-	-	-	122 191	323	-	-	-	-	-	-	-	-	-	-	-	-	122 191	323
Paper & Forest Products	22 659	14	-	-	-	-	22 659	14	-	-	-	-	-	-	-	-	-	-	-	-	22 659	14
Power	189 494	649	-	-	-	-	189 494	649	-	-	-	-	-	-	-	-	-	-	-	-	189 494	649
Real estate	94 638	438	32	-	-	-	94 670	438	3 754	278	3 754	278	-	-	-	-	8	4	8	4	98 432	720
Rental & Leasing	17 547	134	-	-	-	-	17 547	134	-	-	-	-	-	-	-	-	-	-	-	-	17 547	134
Retailing	33 386	133	-	-	-	-	33 386	133	-	-	-	-	-	-	-	-	-	-	-	-	33 386	133
Telecoms	94 112	226	20 554	30	29	-	114 695	256	9 606	615	9 606	615	-	-	-	-	11	6	11	6	124 312	877
Transportation	19 117	54	-	-	-	-	19 117	54	250	-	250	-	-	-	-	-	-	-	-	-	19 367	54
Transportation Infrastructure	105 383	126	7	-	-	-	105 390	126	932	26	932	26	1 711	657	-	-	9 891	4 140	11 602	4 797	117 924	4 949
Water Utilities	14 205	41	-	-	-	-	14 205	41	-	-	-	-	-	-	-	-	-	-	-	-	14 205	41
Others	3	-	23	-	130	2	156	2	-	-	-	-	-	-	635	64	1 720	686	2 355	750	2 511	752
Total	2 039 010	3 969	20 782	32	159	2	2 059 951	4 003	35 189	1 730	35 189	1 730	11 538	4 291	640	69	14 680	5 975	26 858	10 335	2 121 998	16 068

(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, 2025, and December 31, 2024:

(thousand euros)

Loans and advances to customers		30.06.2025				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Low to fair risk	[aaa+;a-]	52 476	16 658	-	-	**69 134**
Monitoring	[bbb+;b-]	662 711	23 885	-	-	**686 596**
Impaired	[d]	-	-	2 907	9 558	**12 465**
Gross carrying amount		**715 187**	**40 543**	**2 907**	**9 558**	**768 195**
Loss allowance (Note 31)		2 929	2 018	659	1 947	**7 553**
Carrying amount		**712 258**	**38 525**	**2 248**	**7 611**	**760 642**
Fair Value Through Profit and Loss						
Impaired	[d]	-	-	24	-	**24**
Gross carrying amount		**-**	**-**	**24**	**-**	**24**
Revaluation		-	-	-	-	**-**
Carrying amount		**-**	**-**	**24**	**-**	**24**
Total gross carrying amount		**715 187**	**40 543**	**2 931**	**9 558**	**768 219**
Loss allowance (Note 31)		2 929	2 018	659	1 947	**7 553**
Total Carrying amount		**712 258**	**38 525**	**2 272**	**7 611**	**760 666**

(thousand euros)

Loans and advances to customers		31.12.2024				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Low to fair risk	[aaa+;a-]	73 378	-	-	-	**73 378**
Monitoring	[bbb+;b-]	618 432	25 583	-	-	**644 015**
Impaired	[d]	-	-	2 976	3 941	**6 917**
Gross carrying amount		**691 810**	**25 583**	**2 976**	**3 941**	**724 310**
Loss allowance (Note 31)		2 568	1 115	679	1 188	**5 550**
Carrying amount		**689 242**	**24 468**	**2 297**	**2 753**	**718 760**
Fair Value Through Profit and Loss						
Impaired	[d]	-	-	23	-	**23**
Gross carrying amount		**-**	**-**	**23**	**-**	**23**
Revaluation		-	-	-	-	**-**
Carrying amount		**-**	**-**	**23**	**-**	**23**
Total gross carrying amount		**691 810**	**25 583**	**2 999**	**3 941**	**724 333**
Loss allowance (Note 31)		2 568	1 115	679	1 188	**5 550**
Revaluation		-	-	-	-	**-**
Total Carrying amount		**689 242**	**24 468**	**2 320**	**2 753**	**718 783**

Loan commitments

The table below presents a summary of the portfolio of loans commitments of Haitong Bank Group, as of June 30, 2025, and December 31, 2024:

(thousand euros)

Loan commitments		30.06.2025				
		Stage 1	Stage 2	Stage 3	POCI	Total
Low to fair risk	[aaa+;a-]	2 100	-	-	-	2 100
Monitoring	[bbb+;b-]	78 241	-	-	-	78 241
Impaired	[d]	-	-	363	-	363
Total gross carrying amount		80 341	-	363	-	80 704
Loss allowance (Note 31)		131	-	5	-	136
Total Carrying amount		80 210	-	358	-	80 568

(thousand euros)

Loan commitments		30.06.2024				
		Stage 1	Stage 2	Stage 3	POCI	Total
Low to fair risk	[aaa+;a-]	2 100	-	-	-	2 100
Monitoring	[bbb+;b-]	75 799	-	-	-	75 799
Impaired	[d]	-	-	352	-	352
Total gross carrying amount		77 899	-	352	-	78 251
Loss allowance (Note 31)		143	-	6	-	149
Total Carrying amount		77 756	-	346	-	78 102

Guarantees

The table below presents a summary of the portfolio of guarantees granted to clients of Haitong Bank Group, as of June 30, 2025, and December 31, 2024:

(thousand euros)

Guarantees		30.06.2025				
		Stage 1	Stage 2	Stage 3	POCI	Total
Low to fair risk	[aaa+;a-]	21 651	-	-	-	21 651
Monitoring	[bbb+;b-]	57 273	-	-	-	57 273
Impaired	[d]	-	-	10 564	-	10 564
Total gross carrying amount		78 924	-	10 564	-	89 488
Loss allowance (Note 31)		46	-	1 373	-	1 419
Total Carrying amount		78 878	-	9 191	-	88 069

(thousand euros)

Guarantees		31.12.2024				
		Stage 1	Stage 2	Stage 3	POCI	Total
Low to fair risk	[aaa+;a-]	30 796	-	-	-	30 796
Monitoring	[bbb+;b-]	70 716	-	-	-	70 716
Substandard	[ccc+;ccc]	-	9 606	-	-	9 606
Impaired	[d]	-	-	372	-	372
Total gross carrying amount		101 512	9 606	372	-	111 490
Loss allowance (Note 31)		74	615	39	-	728
Total Carrying amount		101 438	8 991	333	-	110 762

Debt securities

The table below presents a summary of the portfolio of debt securities at amortised cost and at fair value through other comprehensive income of Haitong Bank Group, as of June 30, 2025, and December 31, 2024:

(thousand euros)

FVOCI and Amortised cost debt Securities		30.06.2025				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Low to fair risk	[aaa+;a-]	17 903	-	-	-	17 903
Monitoring	[bbb+;b-]	536 669	-	-	-	536 669
Gross amount		554 572	-	-	-	554 572
Loss allowance (Note 31)		1 032	-	-	-	1 032
Fair value hedge		(265)	-	-	-	(265)
Carrying amount		553 275	-	-	-	553 275
Fair Value through Other Comprehensive Income						
Low to fair risk	[aaa+;a-]	35 935	-	-	-	35 935
Monitoring	[bbb+;b-]	353 794	8 976	-	-	362 770
Impaired	[d]	-	-	-	3 027	3 027
Gross amount		389 729	8 976	-	3 027	401 732
Loss allowance (Note 31)		820	21	-	144	985
Revaluation		(4 883)	(289)	-	75	(5 097)
Fair value hedge		408	-	-	-	408
Carrying amount		384 434	8 666	-	2 958	396 058
Fair Value Through Profit and Loss						
Impaired	[d]	-	-	-	885	885
Gross amount		-	-	-	885	885
Carrying amount		-	-	-	885	885
Total gross carrying amount		944 301	8 976	-	3 912	957 189
Loss allowance (Note 31)		1 852	21	-	144	2 017
Revaluation		(4 883)	(289)	-	75	(5 097)
Fair value hedge		143	-	-	-	143
Total Carrying amount		937 709	8 666	-	3 843	950 218

(thousand euros)

FVOCI and Amortised cost debt Securities		31.12.2024				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Low to fair risk	[aaa+;a-]	75 031	-	-	-	75 031
Monitoring	[bbb+;b-]	544 420	-	-	-	544 420
Substandard	[ccc+;ccc]	-	-	-	-	-
Doubtful	[lccc]	-	-	-	-	-
Impaired	[d]	-	-	-	-	-
Not rated		-	-	-	-	-
Gross amount		**619 451**	**-**	**-**	**-**	**619 451**
Loss allowance (Note 31)		1 194	-	-	-	1 194
Fair value hedge		(691)	-	-	-	(691)
Carrying amount		**617 566**	**-**	**-**	**-**	**617 566**
Fair Value through Other Comprehensive Income						
Low to fair risk	[aaa+;a-]	32 318	-	-	-	32 318
Monitoring	[bbb+;b-]	317 585	10 126	-	-	327 711
Impaired	[d]	-	-	-	2 901	2 901
Gross carrying amount		**349 903**	**10 126**	**-**	**2 901**	**362 930**
Loss allowance		646	47	-	-	693
Revaluation		(4 285)	(432)	-	(66)	(4 783)
Fair value hedge		(10)	-	-	-	(10)
Carrying amount		**344 962**	**9 647**	**-**	**2 835**	**357 444**
Total gross carrying amount						
Total Carrying amount	[d]	-	-	-	887	887
Not rated						-
Gross amount		**-**	**-**	**-**	**887**	**887**
Carrying amount		**-**	**-**	**-**	**887**	**887**
Total gross carrying amount		**969 354**	**10 126**	**-**	**3 788**	**983 268**
Loss allowance (Note 31)		1 840	47	-	-	1 887
Revaluation		(4 285)	(432)	-	(66)	(4 783)
Fair value hedge		(701)	-	-	-	(701)
Total Carrying amount		**962 528**	**9 647**	**-**	**3 722**	**975 897**

Cash equivalents

The table below presents a summary of the cash equivalents portfolio of Haitong Bank Group, as of June 30, 2025, and December 31, 2024:

(thousand euros)

Cash equivalents		30.06.2025				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Low to fair risk	[aaa+;a-]	8 766	-	-	-	**8 766**
Monitoring	[bbb+;b-]	5 141	-	-	-	**5 141**
Impaired	[d]	-	-	3 454	-	**3 454**
Total gross carrying amount		**13 907**	**-**	**3 454**	**-**	**17 361**
Loss allowance (Note 31)		-	-	880	-	**880**
Total Carrying amount		**13 907**	**-**	**2 574**	**-**	**16 481**

(thousand euros)

Cash equivalents		31.12.2024				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Low to fair risk	[aaa+;a-]	32 487	-	-	-	**32 487**
Monitoring	[bbb+;b-]	3 866	-	-	-	**3 866**
Impaired	[d]	-	-	3 898	-	**3 898**
Not rated		284	-	-	-	**284**
Total gross carrying amount		**36 637**	**-**	**3 898**	**-**	**40 535**
Loss allowance (Note 31)		-	-	2 378	-	**2 378**
Total Carrying amount		**36 637**	**-**	**1 520**	**-**	**38 157**

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, 2025, and December 31, 2024:

(thousand euros)

Loans and advances to banks		30.06.2025				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Low to fair risk	[aaa+;a-]	475 115	-	-	-	**475 115**
Monitoring	[bbb+;b-]	180 927	-	-	-	**180 927**
Total gross carrying amount		**656 042**	**-**	**-**	**-**	**656 042**
Loss allowance (Note 31)		23	-	-	-	**23**
Total Carrying amount		**656 019**	**-**	**-**	**-**	**656 019**

(thousand euros)

Loans and advances to banks		31.12.2024				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Low to fair risk	[aaa+;a-]	449 505	-	-	-	**449 505**
Monitoring	[bbb+;b-]	62 706	-	-	-	**62 706**
Total gross carrying amount		**512 211**	**-**	**-**	**-**	**512 211**
Loss allowance (Note 31)		9	-	-	-	**9**
Total Carrying amount		**512 202**	**-**	**-**	**-**	**512 202**

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, 2025, and December 31, 2024:

(thousand euros)

Debtors and other assets		30.06.2025				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Impaired	[d]		-	-	9 891	**9 891**
Not rated		892	-	2 746	-	**3 638**
Total gross carrying amount		**892**	**-**	**2 746**	**9 891**	**13 529**
Loss allowance (Note 31)		9	-	1 965	4 063	**6 037**
Total Carrying amount		**883**	**-**	**781**	**5 828**	**7 492**

(thousand euros)

Debtors and other assets		31.12.2024				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Impaired	[d]	-	-	-	11 802	**11 802**
Not rated		431	-	3 517	-	**3 948**
Total gross carrying amount		**431**	**-**	**3 517**	**11 802**	**15 750**
Loss allowance (Note 31)		4	-	1 904	4 140	**6 048**
Total Carrying amount		**427**	**-**	**1 613**	**7 662**	**9 702**

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, 2025, and December 31, 2024:

(thousand euros)

Commitments to Third Parties		30.06.2025				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Monitoring	[bbb+;b-]	20 000	-	-	-	**20 000**
Total gross carrying amount		**20 000**	**-**	**-**	**-**	**20 000**
Loss allowance (Note 31)		11	-	-	-	**11**
Total Carrying amount		**19 989**	**-**	**-**	**-**	**19 989**

(thousand euros)

Commitments to Third Parties		31.12.2024				
		Stage 1	Stage 2	Stage 3	POCI	Total
Amortized cost						
Monitoring	[bbb+;b-]	20 000	-	-	-	**20 000**
Total gross carrying amount		**20 000**	**-**	**-**	**-**	**20 000**
Loss allowance (Note 31)		11	-	-	-	**11**
Total Carrying amount		**19 989**	**-**	**-**	**-**	**19 989**

Stage movement

During the year of 2025 and 2024, the following moves occurred:

(thousand euros)

	Of which:			Total
	Stage 1	Stage 2	Stage 3	
Balance on 31 December 2024	**2 404 868**	**44 884**	**30 603**	**2 480 355**
Exposure increases/decreases	221 808	(1 960)	2 539	**222 387**
Transfers:				
from stage 1	(16 658)	16 658	-	**-**
from stage 2	-	(10 351)	10 351	**-**
from stage 3	-	-	-	**-**
Write-off	-	-	-	**-**
Sales	(105 165)	-	-	**(105 165)**
Balance on 30 June 2025	**2 504 853**	**49 231**	**43 493**	**2 597 577**

(thousand euros)

	Of which:			Total
	Stage 1	Stage 2	Stage 3	
Balance on 31 December 2023	**2 536 238**	**32 266**	**46 538**	**2 615 042**
Exposure increases/decreases	36 996	(12 911)	3 302	**27 387**
Transfers:				
from stage 1	(15 923)	15 923	-	**-**
from stage 2	-	-	-	**-**
from stage 3	-	9 606	(9 606)	**-**
Write-off	-	-	(9 631)	**(9 631)**
Sales	(152 443)	-	-	**(152 443)**
Balance on 31 December 2024	**2 404 868**	**44 884**	**30 603**	**2 480 355**

During 2025, an exposure totalling 16.7 million euros was transferred from Stage 1 to Stage 2, and an exposure totalling 10.3 million euros was transferred from Stage 2 to Stage 3.

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, 2025, 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 308 thousand euros accounted under guarantees (December 31, 2024: 5 466 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)

30.06.2025									
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-]	613 945	593 808	16 658	16 658	-	-	-	-
Monitoring	[bbb+;b-]	1 894 757	1 622 806	32 861	32 861	-	-	-	-
Impaired	[d]	-	-	-	-	17 314	11 787	23 360	23 360
Not rated		892	892	-	-	2 744	2 746	-	-
Total		**2 509 594**	**2 217 506**	**49 519**	**49 519**	**20 058**	**14 533**	**23 360**	**23 360**

(thousand euros)

31.12.2024									
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-]	695 616	668 236	-	-	-	-	-	-
Monitoring	[bbb+;b-]	1 713 524	1 538 005	35 709	35 647	-	-	-	-
Substandard	[ccc+;ccc]	-	-	9 606	4 803	-	-	-	-
Impaired	[d]	-	-	-	-	7 621	7 151	19 531	19 531
Not rated		714	715	-	-	3 517	3 515	-	-
Total		**2 409 854**	**2 206 956**	**45 315**	**40 450**	**11 138**	**10 666**	**19 531**	**19 531**

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, 2025, and the December 31, 2024, the breakdown of performing and non-performing exposures was as follows:

(thousand euros)

	30.06.2025			31.12.2024		
	Gross amount and revaluations (1)	Impairment, Negative revaluations and Provisions	Coverage	Gross amount and revaluations (1)	Impairment, Negative revaluations and Provisions	Coverage
Performing exposures	**2 554 085**	**7 039**	**0.3%**	**2 449 752**	**6 426**	**0.3%**
Banking Book Debt Securities	948 247	1 873	0.2%	974 062	1 887	0.2%
Loans and advances to customers	755 730	4 947	0.7%	717 394	3 683	0.5%
Loans and advances to banks	656 042	23	0.0%	512 211	9	0.0%
Cash & Cash Equivalents	13 909	-	0.0%	36 637	-	0.0%
Guarantees	78 924	46	0.1%	111 118	689	0.6%
Loan commitments	80 341	131	0.2%	77 899	143	0.2%
Other commitments	20 000	11	0.1%	20 000	11	0.1%
Receivables	892	8	0.9%	431	4	0.9%
Non-Performing exposures (NPE)	**43 493**	**11 036**	**25.4%**	**30 602**	**10 335**	**33.8%**
Banking Book Debt Securities	3 986	144	3.6%	3 722	-	0.0%
Loans and advances to customers	12 489	2 606	20.9%	6 939	1 868	26.9%
Cash & Cash Equivalents	3 454	880	25.5%	3 898	2 378	61.0%
Guarantees	10 564	1 373	13.0%	372	39	10.5%
Loan commitments	363	5	1.4%	352	6	1.7%
Other assets	9 891	4 062	41.1%	11 804	4 141	35.1%
Receivables	2 746	1 966	71.6%	3 515	1 903	54.1%
Total	**2 597 578**	**18 075**	**0.7%**	**2 480 354**	**16 761**	**0.7%**
NPE ratio	**1.7%**			**1.2%**		
NPL ratio	**1.6%**			**1.0%**		

(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, 2025, and December 31, 2024, the breakdown of performing and non-performing forborne exposures was as follows:

(thousand euros)

	30.06.2025			31.12.2024		
	Gross amount and revaluations (1)	Impairment, Negative revaluations and Provisions	Coverage	Gross amount and revaluations (1)	Impairment, Negative revaluations and Provisions	Coverage
Performing exposures	**2 530 197**	**5 089**	**0.2%**	**2 424 418**	**5 311**	**0.2%**
Performing Forborne exposures	**23 888**	**1 950**	**8.2%**	**25 334**	**1 115**	**4.4%**
Loans and advances to customers	23 888	1 950	8.2%	25 334	1 115	4.4%
Non-Performing Forborne exposures	**11 124**	**1 952**	**17.5%**	**10 990**	**1 874**	**17.1%**
Banking Book Debt Securities	3 986	144	3.6%	3 722	-	0.0%
Loans and advances to customers	6 775	1 803	26.6%	6 916	1 868	27.0%
Loan commitments	363	5	1.4%	352	6	1.7%
Non-Performing exposures	**32 369**	**9 085**	**28.1%**	**19 612**	**8 461**	**43.1%**
Banking Book Debt Securities	-	-	0.0%	-	-	0.0%
Loans and advances to customers	5 714	803	14.1%	23	-	0.0%
Cash & Cash Equivalents	3 454	880	25.5%	3 898	2 378	61.0%
Guarantees	10 564	1 373	13.0%	372	39	10.5%
Other assets	9 891	4 063	41.1%	11 804	4 141	35.1%
Receivables	2 746	1 966	71.6%	3 515	1 903	54.1%
Total	**2 597 578**	**18 076**	**0.7%**	**2 480 354**	**16 761**	**0.7%**

(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.

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, 2025, and December 31, 2024.

(thousand euros)

30.06.2025												
Forbearance Measure	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	3 753	278	-	-	-	-	-	-	1	3 753	278
Rescheduled Payments	1	16 486	1 592	-	-	-	-	-	-	1	16 484	1 594
Other Forbearance	1	3 649	80	2	3 270	664	3	7 854	1 289	6	14 774	2 032
Total	**3**	**23 888**	**1 950**	**2**	**3 270**	**663**	**3**	**7 854**	**1 289**	**8**	**35 011**	**3 904**

(thousand euros)

Forbearance Measure	31.12.2024											
	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	2	16 855	732	-	-	-	-	-	-	2	16 855	732
Other Forbearance	1	4 725	105	2	4 148	686	3	6 842	1 188	6	15 714	1 979
Total	**4**	**25 334**	**1 115**	**2**	**4 148**	**686**	**3**	**6 842**	**1 188**	**9**	**36 323**	**2 989**

During 2025 and 2024, the following movements in forborne exposures, by gross amount and revaluations, occurred:

(thousand euros)

	30.06.2025	31.12.2024
Initial Balance	36 323	23 194
Forborne exposures during the period	-	19 644
Derecognition	-	-
Repayments	(2 044)	(4 030)
Write-off	-	(2 484)
Others	733	-
Final Balance	35 012	36 324

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, 2025, and December 31, 2024, is as follows:

(thousand euros)

Industry	30.06.2025								
	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	3 648	-	80	-	-	914	1 784	-	-
Automobiles & Components	37 821	-	183	-	-	1 243	-	54 869	148
Banks	-	-	-	-	-	10 760	6 006	72 551	117
Broker Dealers	-	-	-	-	-	-	-	175	1
Building Materials	27 697	-	94	-	-	1 624	-	-	-
Capital Goods	-	-	-	-	-	-	-	7 581	8
Chemicals	16 484	5 690	1 594	802	-	1 428	-	25 266	55
Commercial & Professional Services	38 178	-	1 633	-	-	1 286	-	4 600	39
Construction & Engineering	5 995	24	29	-	-	1 296	-	57 886	152
Consumer Durables & Apparel	19 848	-	146	-	-	-	-	-	-
Food, Beverage & Tobacco	31 373	-	115	-	-	-	-	36 144	25
Funds & Asset Managers	-	-	-	-	-	3 647	-	11 406	-
Governments	-	-	-	-	-	850 647	-	391 823	569
Health Care	-	-	-	-	-	1 233	-	20 630	92
Hotels & Gaming	-	-	-	-	-	436	-	8 029	1
Investment Holdings	-	-	-	-	-	1 406	-	-	-
Media & Entertainment	-	-	-	-	-	1 653	-	-	-
Metals & Mining	34 008	-	49	-	-	261	-	24 597	120
Non Bank Financial Institutions	63 053	-	344	-	-	6 347	397	24 550	30
Oil & Gas	114 500	-	277	-	-	-	-	21 914	23
Paper & Forest Products	-	-	-	-	-	-	14	2 610	3
Pharmaceuticals	-	-	-	-	-	-	-	-	-
Power	110 397	-	388	-	-	1 208	103	26 927	280
Real estate	72 287	-	645	-	-	1 167	-	69 353	73
Rental & Leasing	11 948	-	112	-	-	-	-	820	1
Retailing	-	-	-	-	-	-	-	31 576	125
Technology Hardware & Equipment	-	-	-	-	-	239	-	-	-
Telecoms	84 325	-	307	-	-	-	6 790	21 435	28
Transportation	-	-	-	-	-	1 998	-	23 142	50
Transportation Infrastructure	82 390	-	713	-	-	1 418	13 071	16 895	40
Water Utilities	8 553	-	40	-	-	-	-	13 006	37
TOTAL	762 505	5 714	6 749	802	-	890 211	28 165	967 785	2 017

(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	31.12.2024								
	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	4 724	-	105	-	-	-	274	-	-
Agricultural Cooperatives	33 841	-	95	-	-	2 237	41	55 403	101
Automobiles & Components	-	-	-	-	-	13 845	4 409	64 356	55
Banks	-	-	-	-	-	-	158	175	1
Broker Dealers	30 782	-	61	-	-	1 914	-	-	-
Building Materials	-	-	-	-	-	2 547	-	11 337	12
Capital Goods	15 923	-	706	-	-	3 646	-	23 659	49
Chemicals	38 214	-	1 739	-	-	3 841	-	4 587	40
Commercial & Professional Services	-	23	-	-	-	592	-	42 030	105
Construction & Engineering	19 890	-	86	-	-	-	-	5 230	3
Containers & Packaging	16 420	-	40	-	-	-	-	25 601	19
Food, Beverage & Tobacco	-	-	-	-	-	986	1	17 099	4
Funds & Asset Managers	123	-	-	-	-	726 628	-	395 645	485
Governments	-	-	-	-	-	156	-	21 455	93
Health Care	-	-	-	-	-	953	-	7 870	1
Insurance	-	-	-	-	-	603	-	-	-
Media & Entertainment	-	-	-	-	-	1 048	-	-	-
Metals & Mining	37 521	-	54	-	-	986	-	13 251	63
Non Bank Financial Institutions	36 645	-	343	-	-	3 611	998	24 102	56
Oil & Gas	113 382	-	305	-	-	-	205	9 794	10
Paper & Forest Products	-	-	-	-	-	-	2 950	2 659	3
Power	-	-	-	-	-	-	-	7 151	5
Real estate	139 275	-	479	-	-	1 157	217	43 282	208
Rental & Leasing	50 470	-	465	-	-	1 410	-	91 238	206
Retailing	12 061	-	113	-	-	-	-	5 486	22
Software	-	-	-	-	-	1 594	-	33 386	134
Telecoms	-	-	-	-	-	622	-	-	-
Transportation	87 496	560	221	1	-	2 086	5	25 940	41
Transportation Infrastructure	250	-	-	-	-	195	-	29 746	61
Water Utilities	86 732	-	739	-	-	106	14 563	19 247	69
Others	-	-	-	-	-	139	-	14 205	41
TOTAL	**723 749**	**583**	**5 551**	**1**	**-**	**770 902**	**23 821**	**993 934**	**1 887**

(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, 2025, and December 31, 2024, is as follows:

(thousand euros)

Country	30.06.2025								
	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				
Australia	27 371	-	40	-	-	-	-	-	-
Austria	-	-	-	-	-	214	-	10 139	11
Belgium	20 231	-	50	-	-	-	-	-	-
Brazil	85 969	5 689	955	803	-	849 183	2 204	277 615	854
Bulgaria	-	-	-	-	-	-	-	6 128	9
Colombia	-	-	-	-	-	-	-	8 771	19
Croatia	-	-	-	-	-	1 006	-	-	-
Cyprus	-	-	-	-	-	-	-	8 904	3
Czech Republic	20 415	-	21	-	-	-	-	32 573	35
China	16 658	-	66	-	-	3 990	-	50 487	78
Finland	-	-	-	-	-	-	-	2 610	3
France	31 423	-	243	-	-	437	2 203	72 483	204
Germany	26 132	-	127	-	-	25	2 657	22 407	45
Greece	-	-	-	-	-	-	-	17 958	11
Hong-Kong	-	-	-	-	-	6 961	-	7 583	3
Hungary	-	-	-	-	-	-	-	51 981	46
Iceland	-	-	-	-	-	199	-	-	-
Ireland	33 001	-	312	-	-	-	-	-	-
Italy	19 975	-	14	-	-	1 144	-	73 812	45
Japan	-	-	-	-	-	1 507	-	-	-
Korea (Republic Of)	-	-	-	-	-	1 752	-	-	-
Luxembourg	-	-	-	-	-	204	-	5 453	-
Macao	-	-	-	-	-	1 653	-	7 670	1
Mexico	17 085	-	11	-	-	-	-	7 267	5
Netherlands	43 617	-	98	-	-	2 028	-	6 220	7
Norway	-	-	-	-	-	-	-	2 373	2
Poland	67 702	25	1 769	-	-	1 465	-	49 650	122
Portugal	110 706	-	564	-	-	4 520	13 188	67 586	246
Romania	-	-	-	-	-	-	-	55 502	54
Singapore	-	-	-	-	-	914	-	-	-
Spain	108 877	-	2 024	-	-	5 034	726	47 476	95
Sweden	-	-	-	-	-	-	-	7 581	8
Switzerland	-	-	-	-	-	564	-	-	-
Turkey	30 051	-	32	-	-	-	-	-	-
United Kingdom	86 519	-	400	-	-	2 609	7 187	20 007	23
United States	-	-	-	-	-	3 800	-	47 549	88
Estonia	-	-	-	-	-	1 003	-	-	-
Peru	16 773	-	24	-	-	-	-	-	-
Virgin islands (british)	-	-	-	-	-	-	-	-	-
TOTAL	**762 505**	**5 714**	**6 750**	**803**	**-**	**890 212**	**28 165**	**967 785**	**2 017**

(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	31.12.2024							
	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	30 930	-	45	-	-	-	-	-
Austria	-	-	-	-	-	-	10 068	11
Brazil	70 675	-	909	-	730 610	2 265	203 801	578
Bulgaria	-	-	-	-	-	-	11 289	17
Colombia	-	-	-	-	-	-	9 653	13
Cyprus	-	-	-	-	-	-	9 023	3
Czech Republic	20 504	-	21	-	-	-	9 918	11
China	18 716	-	32	-	5 579	-	75 934	256
Finland	-	-	-	-	-	-	2 659	3
France	33 341	-	159	-	-	129	94 041	129
Germany	20 197	-	30	-	4 136	2 177	57 118	74
Greece	-	-	-	-	-	-	20 395	20
Hong-Kong	-	-	-	-	5 719	-	8 584	3
Hungary	-	-	-	-	1 242	-	20 337	21
Ireland	36 645	-	343	-	-	-	-	-
Italy	19 980	-	14	-	1 605	-	127 127	108
Japan	-	-	-	-	2 435	-	-	-
Korea (Republic Of)	-	-	-	-	983	-	-	-
Luxembourg	-	-	-	-	649	-	5 115	-
Macao	-	-	-	-	473	-	10 118	1
Mexico	9 642	-	6	-	-	-	7 893	6
Netherlands	46 901	-	99	-	3 159	-	33 386	20
Poland	102 411	23	1 012	-	715	205	47 568	118
Portugal	126 620	-	569	-	2 127	17 736	86 283	266
Romania	-	-	-	-	-	-	32 311	31
Spain	80 243	-	1 886	-	5 381	311	79 812	128
Sweden	-	-	-	-	102	-	12 911	12
Turkey	-	-	-	-	-	-	10 582	44
UK	87 749	560	397	1	1 563	998	5 066	11
United States	-	-	-	-	2 052	-	2 942	3
Estonia	-	-	-	-	1 021	-	-	-
India	-	-	-	-	195	-	-	-
Indonesia	-	-	-	-	1 156	-	-	-
Peru	19 195	-	29	-	-	-	-	-
TOTAL	723 749	583	5 551	1	770 902	23 821	993 934	1 887

Pension Fund Monitoring

The Pension Fund portfolio management is ensured by GNB Fundo de Pensões, 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)

	30.06.2025				31.12.2024			
	December	Average	Maximum	Minimum	December	Average	Maximum	Minimum
Foreign Exchange Risk	8 305	6 326	9 211	4 234	4 061	4 153	5 186	3 695
Interest Rate Risk	222	429	1 211	164	381	368	1 103	161
Shares	3	2	3	2	2	5	10	2
Credit spread	591	381	735	116	250	217	372	81
Covariance	(671)	(747)	(1 812)	(442)	(526)	(664)	(1 502)	(337)
Global VaR	**8 450**	**6 392**	**9 349**	**4 074**	**4 168**	**4 079**	**5 169**	**3 602**

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, 2025, and December 31, 2024, as well as the respective average balances and interest for the financial period:

(thousand euros)

	30.06.2025			31.12.2024		
	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)	496 618	12 245	4.97%	649 295	30 398	4.67%
Loans and advances to customers	768 301	26 829	7.04%	714 009	55 823	7.80%
Investment in securities	1 805 451	81 289	9.08%	1 802 467	139 081	7.70%
Deposited collateral under clearing agreements	24 016	520	4.36%	22,701	1 270	5.58%
Financial assets	**3 094 386**	**120 883**	**7.88%**	**3 188 472**	**226 572**	**7.09%**
Resources of credit institutions	1 127 698	52 883	9.46%	1 025 475	94 830	9.22%
Resources of customers	1 148 779	31 325	5.50%	1 206 897	54 492	4.50%
Liabilities represented by securities	257 199	12 125	9.51%	463 234	37 885	8.16%
Other resources (2)	94 930	437	0.93%	25 105	827	3.29%
Financial liabilities	**2 628 606**	**96 770**	**7.42%**	**2 720 711**	**188 034**	**6.89%**
Financial Result		**24 113**			**38 538**	

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, 2025, and December 31, 2024, the exposure of assets and liabilities by currency was as follows:

(thousand euros)

	30.06.2025			31.12.2024		
	Spot	Forward	Net Exposure	Spot	Forward	Net Exposure
AOA	3	-	3	2	-	2
AUD	-	-	-	13	-	13
BRL	85 026	6 327	91 353	80 861	7 781	88 642
CAD	-	-	-	35	-	35
CHF	144	-	144	(55)	-	(55)
CNY	4 992	-	4 992	5 724	-	5 724
DKK	(5)	-	(5)	(5)	-	(5)
GBP	15 826	(14 816)	1 010	13 859	(13 130)	729
HKD	(1 977)	-	(1 977)	(2 525)	-	(2 525)
JPY	-	-	-	36	-	36
MOP	8 276	-	8 276	9 431	-	9 431
MXN	-	-	-	10	-	10
NOK	-	-	-	3	-	3
PLN	(1 542)	42 430	40 888	(16 305)	57 310	41 005
SEK	-	-	-	35	-	35
TRY	-	-	-	-	-	-
USD	123 481	(117 592)	5 889	87 107	(77 476)	9 631
Total	**234 224**	**(83 651)**	**150 573**	**178 226**	**(25 515)**	**152 711**

The main source of FX risk of Haitong Bank comes from its foreign subsidiary Haitong Banco de Investimento do Brasil S.A.

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, 2025, and December 31, 2024, the repricing profile of the Bank for interest rate risk-sensitive positions was the following:

(thousand euros)

Tenor	30.06.2025			31.12.2024		
	Ativo	Passivo	Líquido	Ativo	Passivo	Líquido
Até 3 meses	1 276 008	(878 006)	398 003	1 270 761	(942 459)	328 303
3 a 6 meses	386 935	(324 347)	62 588	353 398	(391 069)	(37 670)
6 a 12 meses	166 702	(307 193)	(140 491)	161 910	(148 760)	13 150
1 a 5 anos	463 071	(514 787)	(51 716)	555 206	(449 539)	105 667
Mais de 5 anos	196 334	(90 364)	105 969	150 712	(46 872)	103 841
Total	**2 489 050**	**(2 114 697)**	**374 353**	**2 491 988**	**(1 978 698)**	**513 290**

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	30.06.2025		31.12.2024	
	Delta EVE	Delta NII	Delta EVE	Delta NII
Final worst impact	**(16 232)**	**(4 253)**	**(23 028)**	**(3 638)**
Regulatory Add-ons	(409)	(67)	(592)	(53)
Worst Impact (without regulatory Add-ons)	(15 823)	(4 186)	(22 436)	(3 585)
Parallel up	(15 823)	4 186	(22 436)	3,585
Parallel down	9 327	(4 186)	10 053	-3,585
Steepener	(7 034)	n.a.	(3 164)	n.a.
Flattener	1 237	n.a.	(1 285)	n.a.
Short rates up	(2 796)	n.a.	(8 362)	n.a.
Short rates down	228	n.a.	2 148	n.a.
% Tier 1 Capital	**3.06%**	**0.80%**	**4.28%**	**0.68%**
% Total Capital	**3.05%**	**0.80%**	**4.27%**	**0.67%**

Unaudited Information *Source: Haitong Bank S.A.*

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)

	30.06.2025			31.12.2024	
	CSR Requirement	HTCS Exposures		CSR Requirement	HTCS Exposures
Haitong Bank S.A.	15 386	306 622		12 609	299 464
of which: Sovereign	196	14 529		200	16 844
of which: Corporate	15 190	292 094		12 409	282 620
Haitong Banco de Investimento do Brasil S.A.	27	89 435		262	57 980
of which: Sovereign	-	53 161		220	51 334
of which: Corporate	112	36 274		42	6 646
Covariance	(1 608)	n.a.		(2 013)	n.a.
Global	**13 805**	**396 057**	-	**10 858**	**357 444**
Global CSR Requirement (annual average)	**14 282**	**396 057**		**14 236**	**357 444**
Average Duration (years)	**-**	**2.88**	-	**-**	**2.51**

Unaudited Information

The final capital requirement for CSRBB is the maximum value between the reference end of month requirement and the annual average requirement of the last year. Therefore, the final capital requirement for CSRBB is 14 million euros in June 2025, which demonstrates stability in comparison with December 2024.

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 30,2025, in Warsaw Branch, there are no financing contracts nor derivatives whose contract rate is associated with discontinued Libor rates.

As of June 30,2025, in Warsaw Branch there're financing contracts as well as derivatives related to WIBOR index that is planned to be discontinued. The benchmark reform in Poland is aimed at replacement of the WIBOR index with the new index. From December 2022, banks were able to use new index - the WIRON index.

However, due to the fact that there is noticed highest volatility of the WIRON index in relation to other analyzed indices and it may result in lowest probability of creating a liquid derivatives market so National Working Group on Benchmark Reform Steering Committee (Ministry of Finance, NBP, UKNF, BFG, GPW Benchmark, BondSpot and the banking community) declared the need for further in-depth discussion to work on the new index and ultimately, in the future, such an index could be used as an alternative index that will replace the WIBOR benchmark.

The Polish Financial Supervision Authority (KNF) announced in the end of January 2025 that the Steering Committee of the National Working Group (KS NGR) working on the reform of reference rates decided to choose the target name POLSTR (Polish Short-Term Rate) for the proposed index that will replace WIBOR. The planned conversion date of financial sector to new index - reference rates are set at the end of 2027.

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.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, 2025, the Bank held 770 million Euros of High-Quality Liquid Assets (731 million Euros on December 31, 2024), of which 465 million were available deposits in Central Banks (466 million Euros on December 31, 2024). 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, 2025, Haitong Bank reported a surplus of 314 million Euros of its 30-day stressed net outflows, resulting in an LCR of 221% (211% on December 31, 2024) comfortably exceeding both regulatory and internal thresholds.

(million euros)

Liquidity Coverage Ratio	30.06.2025	31.12.2024
High Quality Liquid Assets	770	731
Surplus over stressed net outflows	314	385
Liquidity Coverage Ratio	**221%**	**211%**

Source: Haitong Bank Unaudited information

In the first half of 2025, 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, 2025, contractual undiscounted cash flows of financial assets and liabilities present the following structure:

(thousand euros)

	30.06.2025						
	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	16 485	-	-	-	-	-	16 485
Financial assets held-for-trading (Securities)	45 511	3 166	122 920	424 309	1 366 211	-	1 962 117
Non-trading financial assets mandatorily at fair value through profit or loss	-	-	-	885	15 550	-	16 435
Financial assets at fair value through other comprehensive income	893	18 838	74 578	247 572	112 492	-	454 373
Financial assets at amortised cost	5 796	7 607	82 347	445 645	106 601	-	647 996
Loans and advances to banks	475 710	148 478	36 561	-	-	-	660 749
Loans and advances to customers	3	16 830	100 310	690 805	102 550	-	910 498
Derivatives Instruments	-	219 153	162 945	16 959	161 325	18 811	579 193
Total	**544 398**	**414 072**	**579 661**	**1 826 175**	**1 864 729**	**18 811**	**5 247 846**
Liabilities							
Resources of other credit institutions	785 267	5 420	295 833	134 440	8 849	-	1 229 809
Resources of customers	19 818	289 066	455 377	548 963	-	-	1 313 224
Debt securities issued	-	32 048	23 587	254 691	-	-	310 326
Financial liabilities held-for-trading (Securities)	-	96 281	-	-	-	-	96 281
Derivatives Instruments	-	221 094	159 836	16 983	161 325	6 266	565 504
Total	**805 085**	**643 909**	**934 633**	**955 077**	**170 174**	**6 266**	**3 515 144**

As of December 31, 2024, contractual undiscounted cash flows of financial assets and liabilities presented the following structure:

(thousand euros)

	31.12.2024						
	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	38 159	-	-	-	-	-	38 159
Financial assets held-for-trading (Securities)	-	10 767	13 284	675 201	846 874	-	1 546 126
Non-trading financial assets mandatorily at fair value through profit or loss	-	-	-	-	-	17 037	17 037
Financial assets at fair value through other comprehensive income	-	7 804	48 812	268 439	126 462	-	451 517
Financial assets at amortised cost	-	64 959	90 982	460 613	95 003	-	711 557
Loans and advances to banks	83	497 667	20 708	-	-	-	518 458
Loans and advances to customers	5	49 055	92 006	635 605	99 110	-	875 781
Derivatives Instruments	-	212 386	229 412	44 570	7 492	20 245	514 105
Liabilities	**38 247**	**842 638**	**495 204**	**2 084 428**	**1 174 941**	**37 282**	**4 672 740**
Passivos financeiros detidos para negociação (Títulos)							
Resources of other credit institutions	-	617 465	19 558	328 461	10 779	-	976 263
Resources of customers	37 980	508 033	412 946	412 449	-	-	1 371 408
Debt securities issued	-	72 818	75 976	199 952	-	-	348 746
Financial liabilities held-for-trading (Securities)	817	-	-	-	-	-	817
Derivatives Instruments	-	211 571	228 439	44 358	7 492	777	492 637
Total	**38 797**	**1 409 887**	**736 919**	**985 220**	**18 271**	**777**	**3 189 871**

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)

	30.06.2025					
	On demand	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Financial guarantees	-	23 291	15 805	41 254	9 138	89 488
Undrawn commitments	-	10 435	37 546	50 623	2 100	100 704
Total commitments and guarantees	**-**	**33 726**	**53 351**	**91 877**	**11 238**	**190 192**

Operational risk

Operational Risk corresponds to the possible loss resulting from inadequate internal procedures or its negligent application, inadequacy or failure of information systems, staff behaviour or external events. Legal risks are included in this definition. Operational risk is therefore considered as the sum of operational and information systems (IT) risks.

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 and report 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 counter-cyclical capital buffer of up to 2.5% to be imposed in the event that national supervisors deem it necessary in order to counteract excessive credit growth in the jurisdictions under their supervision. As of 31st of December 2024, Banco de Portugal decided not to impose any additional counter-cyclical capital buffer, by setting it at 0% of the total risk exposure amount to domestic counterparties. This decision is subject to revision on a quarterly basis, but Bank of Portugal already determined that from 1 January 2026 the counter-cyclical capital buffer should be set at 0.75% for exposures to counterparties located in Portugal.

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, 2025, and December 31, 2024:

	30.06.2025	31.12.2024
CET1 ratio	19.10%	19.30%
Tier 1 ratio	23.90%	24.10%
Total Capital ratio	23.90%	24.20%

Unaudited Information *Source: Haitong Bank S.A.*

NOTE 40– SUBSEQUENT EVENTS

Between June 30, 2025, 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 2025 relating to Haitong Bank, S.A. and the companies included in its consolidation perimeter have not been audited.

Lisbon, September 10, 2025

Pan Guangtao
(Chairman of the Board of Directors)

Wu Min
(Chief Executive Officer)

Alan do Amaral Fernandes
(Executive Board Member)

Nuno Miguel Sousa Figueiredo Carvalho
(Executive Board Member)

José Miguel Aleixo Nunes Guiomar
(Executive Board Member)

Vasco Câmara Pires dos Santos Martins
(Executive Board Member)

Lu Xiaoli
(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)

Zhang Xinjun
(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/2024	Transactions in 1H2025			Securities held as of 30/Jun/2025
			Date	Acquisitions	Disposals	
Pan Guangtao	-	-	-	-	-	-
Wu Min	-	-	-	-	-	-
Alan Fernandes	-	-	-	-	-	-
Nuno Carvalho	-	-	-	-	-	-
Vasco Câmara Martins	-	-	-	-	-	-
Miguel Guiomar	-	-	-	-	-	-
Lu Xiaoli (Nick Lu)	-	-	-	-	-	-
Zhang Xinjun (Jeff Zhang)	-	-	-	-	-	-
António Domingues	-	-	-	-	-	-
Maria do Rosário Ventura	-	-	-	-	-	-
Martina García	-	-	-	-	-	-
Chen Xuemei (Michelle Chen)	-	-	-	-	-	-

Declaration of Conformity

In accordance with Article 29 - J (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 six months ended on 30 June 2025 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 - J (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 2025, and includes a description of the main risks and uncertainties that could affect the business.

Lisbon, September 10, 2025

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