



HAITONG BANK, MACAU BRANCH

Disclosure of Financial Information – 30 June 2023

(Circular No. 006/B/2022-DSB/AMCM)

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1. DISCLOSURE OF INFORMATION

This information is disclosed under AMCM Circular No. 006/B/2022-DSB/AMCM to fulfil the disclosure obligations outlined in the aforementioned Circular.

The economic and financial information hereby disclosed refers to the period between 1 January 2023 and 30 June 2023.

The disclosed information relates to the Macau Branch and to its head office Haitong Bank, S.A.. For the sake of clarity, the information related to the Macau Branch is labelled as “Macau Branch” and the information concerning the head office on a consolidated or integrated basis is presented as “Haitong Bank” or “Haitong Bank Group”.

This information has not been subject to the external auditor review.

2. MACAU BRANCH STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	(MOP)	
	30.06.2023 (Unaudited)	31.12.2022 (Audited)
Assets		
Bank balances and balances with the Monetary Authority of Macau	107 697 372	97 387 228
Other tangible assets	12 002 827	13 349 243
Intangible assets	185 576	99 756
Other assets	10 042 340	5 858 934
Total Assets	129 928 115	116 695 161
Liabilities		
Current income tax liabilities	(5 669 976)	(3 704 890)
Other liabilities	(1 800 141)	(5 542 908)
Total Liabilities	(7 470 117)	(9 247 798)
Head Office Account		
Establishment fund	(50 000 000)	(50 000 000)
Other reserves, retained earnings and other comprehensive income *	(37 997 109)	(10 227 917)
Head Office account	(19 450 254)	(19 450 254)
Profit for the period attributable to Head Office	(15 010 635)	(27 769 192)
Total Head Office Account	(122 457 998)	(107 447 363)
Total Liabilities and Head Office Account	(129 928 115)	(116 695 161)
* Included the regulatory reserve required by Monetary Authority of Macau ("AMCM"):		
- General	-	-
- Specific	-	-
Total regulatory reserve	-	-

3. MACAU BRANCH STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED AT 30 JUNE 2023

	(MOP)	
	30.06.2023 (Unaudited)	30.06.2022 (Unaudited)
Interest income	1 352 762	139 656
Fee and commission income	27 173 067	44 683 979
Fee and commission expense	(35 866)	-
Net fee and commission income	27 137 201	44 683 979
Losses from foreign exchange differences	(86 649)	(938 351)
Total operating Income	28 403 314	43 885 284
Staff costs	(6 342 834)	(4 763 260)
General and administrative expenses	(4 354 300)	(4 478 635)
Depreciation and amortisation	(1 398 383)	(1 368 190)
Operating profit before impairment gain	16 307 797	33 275 199
Impairment gain on financial assets	667 925	(309 569)
Profit before Income Tax	16 975 722	32 965 630
Income tax	(1 965 087)	(3 883 875)
Total Profit and Other comprehensive income	15 010 635	29 081 755

4. MACAU BRANCH STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED AT 30 JUNE 2023

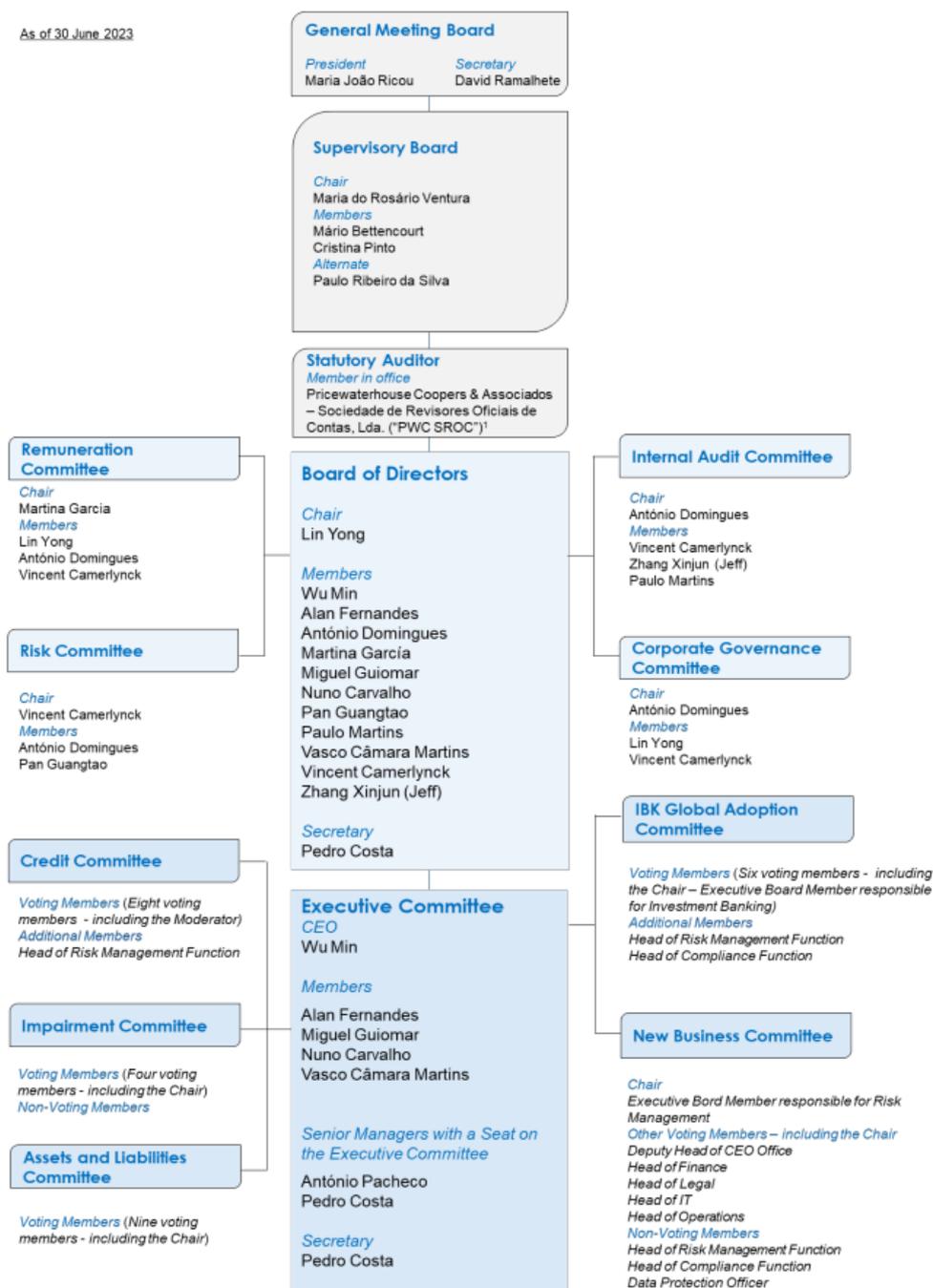
(MOP)

	30.06.2023 (Unaudited)	30.06.2022 (Unaudited)
CASH FLOW ARISING FROM OPERATING ACTIVITIES		
Profit before tax	16 975 722	32 965 630
<u>Adjustments</u>		
Depreciation and amortisation	1 398 383	1 368 190
Charge of impairment loss on financial assets	(667 925)	309 608
Interest and similar income	(1 352 762)	(139 656)
	<u>16 353 418</u>	<u>34 503 772</u>
Increase in deposits with credit institutions with original maturity beyond three months	-	(50 000 000)
<u>(Increase) decrease in operating assets:</u>		
Other assets	(3 666 357)	(240 959)
<u>Increase (decrease) in operating liabilities:</u>		
Other liabilities	(3 742 767)	(1 060 639)
	<u>(7 409 124)</u>	<u>(51 301 598)</u>
CASH USED IN OPERATIONS	(7 409 124)	(51 301 598)
Interest received	1 503 637	13 081
	<u>10 447 931</u>	<u>(16 784 745)</u>
NET CASH GENERATED FROM OPERATIONS	10 447 931	(16 784 745)
CASH FLOW ARISING FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(13 183)	-
Acquisition of intangible assets	(124 604)	-
	<u>(137 787)</u>	<u>-</u>
NET CASH USED IN INVESTING ACTIVITIES	(137 787)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	10 310 144	(16 784 745)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	47 387 228	57 673 664
	<u>57 697 372</u>	<u>40 888 919</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	57 697 372	40 888 919
REPRESENTED BY:		
Bank balances and balances with the Monetary Authority of Macau	57 697 372	40 888 919
	<u>57 697 372</u>	<u>40 888 919</u>

5. LIST OF SHAREHOLDERS OF HAITONG BANK WITH QUALIFYING HOLDINGS

Haitong International Holdings Limited, a Hong-Kong based wholly-owned subsidiary of Haitong Securities Co., Ltd., holds 100% of the Bank's share capital with voting rights.

6. MEMBERS OF CORPORATE BODIES OF HAITONG BANK



¹ PWC SROC represented by Cláudia Sofia Parente Gonçalves da Palma

7. MEMBERS OF THE MANAGEMENT OF MACAU BRANCH

General Manager

Lu Xiaoli

Branch Managers

Luís Valença Pinto

André Castanheira Pinto

8. HAITONG BANK CONSOLIDATED STATEMENT AS AT 30 JUNE 2023 AND 31 DECEMBER 2022

(thousand euros)

	30.06.2023	31.12.2022
Assets		
Cash and cash equivalents	20 951	25 828
Financial assets at fair value through profit or loss	859 200	811 079
Financial assets held for trading	842 175	794 541
Securities	802 293	745 603
Derivative financial assets	39 882	48 938
Non-trading financial assets mandatorily at fair value through profit or loss	17 025	16 538
Securities	17 004	16 518
Loans and advances to customers	21	20
Financial assets at fair value through other comprehensive income	266 403	295 493
Financial assets measured at amortised cost	2 032 373	1 983 622
Securities	910 132	721 519
Loans and advances to banks	265 036	490 318
Loans and advances to customers	857 205	771 785
Other tangible assets	12 832	14 678
Intangible assets	2 085	2 666
Tax assets	136 449	132 440
Current income tax assets	23 208	22 550
Deferred income tax assets	113 241	109 890
Other assets	143 633	150 314
Total Assets	3 473 926	3 416 120
Liabilities		
Financial liabilities held for trading	35 206	39 556
Securities	1 289	97
Derivative financial liabilities	33 917	39 459
Financial liabilities measured at amortised cost	2 697 275	2 643 228
Resources of credit institutions	995 477	1 354 051
Resources of customers	1 108 904	747 140
Debt securities issued	592 894	542 037
Provisions	18 998	19 111
Tax liabilities	13 721	13 270
Current income tax liabilities	7 927	7 476
Deferred income tax liabilities	5 794	5 794
Other liabilities	66 939	72 919
Total Liabilities	2 832 139	2 788 084

Equity		
Share capital	863 279	863 279
Share premium	8 796	8 796
Other equity instruments	105 042	105 042
Fair-value reserves	(8 127)	(10 605)
Other reserves and retained earnings	(354 097)	(370 665)
Net profit/(loss) for the period attributable shareholders of the parent company	4 530	11 107
Total equity attributable to the shareholders of the parent company	619 423	606 954
Non-controlling interests	22 364	21 082
Total Equity	641 787	628 036
Total Equity and Liabilities	3 473 926	3 416 120

9. CONSOLIDATED CAPITAL ADEQUACY RATIO OF HAITONG BANK

Haitong Bank capital ratios were calculated under the CRR II (Regulation EU n° 876/2019 amending Regulation EU no. 575/2013) and CRD V (Directive EU no. 878/2019 amending Directive EU no. 2013/36/EU).

The Standard Approach on both a transitional and fully-loaded basis is shown in the following table.

	JUNE 2023		DECEMBER 2022	
	PHASED-IN	FULLY-LOADED	PHASED-IN	FULLY-LOADED
CET1 ratio	15.5%	15.5%	17.4%	17.3%
Tier 1 ratio	19.5%	19.5%	21.7%	21.7%
Total capital ratio	19.6%	19.6%	21.8%	21.8%

10. RELATED PARTY TRANSACTIONS (SUMMARY)

The Macau Branch follows Haitong Bank's Regulation of Transactions with Related Parties which lays down the internal procedures and limitations for approval of transactions between the Bank or companies in a parent-subsiary or group relationship with the Bank and a related party.

These rules aim to ensure stringent control over compliance with the legal rules, including the arm's-length principle and prevention of conflicts of interest.

The Macau Branch discloses below the respective related parties' balances:

(MOP)

RELATED PARTIES	30 JUNE 2023						
	ASSETS			ESTABLISHMENT FUND	HEAD OFFICE ACCOUNT	PROFIT	LOSS
	CASH AND CASH EQUIVALENTS	OTHER ASSETS	TOTAL				
Head Office							
Haitong Bank, S.A.	52 232 804	-	52 232 804	50 000 000	19 450 254	802 057	368
Subsidiaries and associates of shareholders							
Haitong International Finance Holdings Limited	-	1 214 870	1 214 870	-	-	3 929 062	-
TOTAL	52 232 804	1 214 870	53 447 674	50 000 000	19 450 254	4 731 119	368

(MOP)

RELATED PARTIES		31 DECEMBER 2022				
	ASSETS		ESTABLISHMENT FUND	HEAD OFFICE ACCOUNT	PROFIT	LOSS
	CASH AND CASH EQUIVALENTS	TOTAL				
Head Office						
Haitong Bank, S.A.	44 563 775	44 563 775	50 000 000	19 450 254	1 412	-
Total	44 563 775	44 563 775	50 000 000	19 450 254	1 412	-

11. OFF BALANCE SHEET EXPOSURES OTHER THAN DERIVATIVES

The Macau Branch has no off-balance sheet exposures.

(thousand MOP)

OFF-BALANCE SHEET EXPOSURES	30 JUNE 2023	31 DECEMBER 2022
Credit substitutes	-	-
Transaction-related contingencies	-	-
Acceptances and other trade-related contingencies	-	-
Note issuance facilities, revolving underwriting facilities and other similar facilities	-	-
Forward asset purchases	-	-
Unpaid portion of partly paid shares and other securities	-	-
Forward deposits	-	-
Asset sales with repurchase option	-	-
Undrawn credit facilities and other commitments to extend credit	-	-
Other off-balances-sheet items	-	-

12. DERIVATIVES TRANSACTIONS

The Macau Branch has no derivative balances.

(thousand MOP)

DERIVATIVES TRANSACTIONS	30 JUNE 2023	31 DECEMBER 2022
Exchange rate contracts	-	-
Interest rate contract	-	-
Equities contracts	-	-
Commodities contracts	-	-
Others	-	-

(thousand MOP)

CREDIT RISK WEIGHTED AMOUNTS OF DERIVATIVES	30 JUNE 2023	31 DECEMBER 2022
Exchange rate contracts	-	-

13. CREDIT RISK

The table below reflects credit risk geographic distribution exposures of the Macau Branch as at 30 June 2023 and 31 December 2022:

(thousand MOP)					
GEOGRAPHIC DISTRIBUTION OF EXPOSURES					30 JUNE 2023
OF WHICH					
Countries and Regions	Loan and advances to customers	Overdue loans	Impaired loans	Individually assessed impairment provision	Additional provision under AMCM rules
-	-	-	-	-	-
-	-	-	-	-	-

(thousand MOP)					
GEOGRAPHIC DISTRIBUTION OF EXPOSURES					31 DECEMBER 2022
OF WHICH					
Countries and Regions	Loan and advances to customers	Overdue loans	Impaired loans	Individually assessed impairment provision	Additional provision under AMCM rules
-	-	-	-	-	-
-	-	-	-	-	-

The table below reflects credit risk industry distribution exposures of the Macau Branch as at 30 June 2023 and 31 December 2022:

(thousand MOP)		
INDUSTRY DISTRIBUTION OF EXPOSURES	30 JUNE 2023	31 DECEMBER 2022
Agriculture and fisheries	-	-
Mining industries	-	-
Manufacturing industries	-	-
Electricity, gas and water	-	-
Construction and public works	-	-
Wholesale and retail trade	-	-
Restaurants, hotels and similar	-	-
Transport, warehouse and communications	-	-
Non-monetary financial institutions	-	-
Gaming	-	-
Exhibition and conference	-	-
Education	-	-
Information technology	-	-
Other industries	-	-
Personal loans	-	-
Total	-	-

The table below reflects credit risk maturity analysis on assets and liabilities of the Macau Branch as 30 June 2023 and 31 December 2022:

(thousand MOP)

MATURITY ANALYSIS ON ASSETS AND LIABILITIES								30 JUNE 2023
Assets	On demand	Within 1 month	>1 Month < 3 months	>3 Months < 1 Year	>1 Year < 3 Years	> 3 years	Indefinite period	
Loans and advances to customers	-	-	-	-	-	-	-	
Bank balances and balances with the Monetary Authority of Macau	57 697	-	-	50 000	-	-	-	
Certificates of deposit held	-	-	-	-	-	-	-	
Securities issued by Macao SAR Government and/or AMCM	-	-	-	-	-	-	-	
Other securities	-	-	-	-	-	-	-	
Other tangible assets	-	-	-	-	-	-	12 003	
Intangible assets	-	-	-	-	-	-	186	
Other assets	-	-	8 952	1 090	-	-	-	
Total	57 697	-	8 952	51 090	-	-	12 189	
Liabilities	On demand	Within 1 month	>1 Month < 3 months	>3 Months < 1 Year	>1 Year < 3 Years	> 3 years	Indefinite period	
Deposits and balances of banks and financial institutions	-	-	-	-	-	-	-	
Deposits from public sector entities	-	-	-	-	-	-	-	
Deposits from holding and associated companies	-	-	-	-	-	-	-	
Deposits from non-bank customers	-	-	-	-	-	-	-	
Certificates of deposits issued	-	-	-	-	-	-	-	
Other securities issued	-	-	-	-	-	-	-	
Income tax liabilities	-	-	-	(3 705)	(1 965)	-	-	
Other liabilities	(457)	(256)	-	(992)	(95)	-	-	
Total	(457)	(256)	-	(4 697)	(2 060)	-	-	

(thousand MOP)

MATURITY ANALYSIS ON ASSETS AND LIABILITIES
31 DECEMBER 2022

Assets	On demand	Within 1 month	>1 Month < 3 months	>3 Months < 1 Year	>1 Year < 3 Years	> 3 years	Indefinite period
Loans and advances to customers	-	-	-	-	-	-	-
Bank balances and balances with the Monetary Authority of Macau	47 387	-	-	50 000	-	-	-
Certificates of deposit held	-	-	-	-	-	-	-
Securities issued by Macao SAR Government and/or AMCM	-	-	-	-	-	-	-
Other securities	-	-	-	-	-	-	-
Other tangible assets	-	-	-	-	-	-	13 349
Intangible assets	-	-	-	-	-	-	100
Other assets	1	1 496	-	1 205	-	-	3 157
Total	47 388	1 496	-	51 205	-	-	16 606
Liabilities	On demand	Within 1 month	>1 Month < 3 months	>3 Months < 1 Year	>1 Year < 3 Years	> 3 years	Indefinite period
Deposits and balances of banks and financial institutions	-	-	-	-	-	-	-
Deposits from public sector entities	-	-	-	-	-	-	-
Deposits from holding and associated companies	-	-	-	-	-	-	-
Deposits from non-bank customers	-	-	-	-	-	-	-
Certificates of deposits issued	-	-	-	-	-	-	-
Other securities issued	-	-	-	-	-	-	-
Income tax liabilities	-	-	-	(3 705)	-	-	-
Other liabilities	(414)	(1 025)	(158)	(462)	(3 483)	-	-
Total	(414)	(1 025)	(158)	(4 167)	(3 483)	-	-

The table below reflects the credit risk ageing analysis of accounting past due exposures of the Macau Branch as at 30 June 2023 and 31 December 2022:

(thousand MOP)

LOANS AND ADVANCES TO BANKS THAT HAVE BEEN PAST DUE FOR PERIODS OF:	30 JUNE 2023		31 DECEMBER 2022	
	% OF TOTAL LOANS	AMOUNT	% OF TOTAL LOANS	AMOUNT
more than 3 months but not more than 6 months	-	-	-	-
more than 6 months but not more than 1 year	-	-	-	-
more than 1 year	-	-	-	-
Total	-	-	-	-
Collateral	-	-	-	-
ECL	-	-	-	-

(thousand MOP)

LOANS AND ADVANCES TO NON-BANK CUSTOMERS THAT HAVE BEEN PAST DUE FOR PERIODS OF:	30 JUNE 2023		31 DECEMBER 2022	
	% OF TOTAL LOANS	AMOUNT	% OF TOTAL LOANS	AMOUNT
more than 3 months but not more than 6 months	-	-	-	-
more than 6 months but not more than 1 year	-	-	-	-
more than 1 year	-	-	-	-
Total	-	-	-	-
Collateral	-	-	-	-
ECL	-	-	-	-

(thousand MOP)

OTHER ASSETS THAT HAVE BEEN PAST DUE FOR PERIODS OF:	30 JUNE 2023		31 DECEMBER 2022	
	% OF TOTAL LOANS	AMOUNT	% OF TOTAL LOANS	AMOUNT
more than 3 months but not more than 6 months	-	-	-	-
more than 6 months but not more than 1 year	-	-	-	-
more than 1 year	-	-	-	-
Total	-	-	-	-

The table below reflects the credit quality analysis under regulatory asset classification of the Macau Branch as at 30 June 2023 and 31 December 2022:

(thousand MOP)

CREDIT QUALITY ANALYSIS UNDER REGULATORY ASSET CLASSIFICATION							
							30 JUNE 2023
	Outstanding Balance	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	General Provision according to Notice no.012/2021-AMCM	Collateral
Loans and advances to banks							
Pass	-	-	-	-	-	-	-
Special Mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-
Loans and advances to non-bank customers							
Pass	-	-	-	-	-	-	-
Special Mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-
Other assets							
Pass	-	-	-	-	-	-	-
Special Mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-

(thousand MOP)

CREDIT QUALITY ANALYSIS UNDER REGULATORY ASSET CLASSIFICATION	31 DECEMBER 2022							
	Outstanding Balance	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	General Provision according to Notice no.012/2021-AMCM	Collateral	
Loans and advances to banks								
Pass	-	-	-	-	-	-	-	-
Special Mention	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-
Loans and advances to non-bank customers								
Pass	-	-	-	-	-	-	-	-
Special Mention	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-
Other assets								
Pass	-	-	-	-	-	-	-	-
Special Mention	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-

14. MARKET RISK / FOREIGN EXCHANGE RISK

The Macau Branch has the following analysis of foreign currency at the balance sheet date:

(thousand MOP)					
30 JUNE 2023					
	MOP	EUR	USD	HKD	CNY
Assets					
Bank balances and balances with the Monetary Authority of Macau	52 480	8 500	43 733	19	2 965
Other tangible assets	12 003	-	-	-	-
Intangible assets	186	-	-	-	-
Other assets	898	-	638	25	8 481
Liabilities					
Current tax liabilities	(5 670)	-	-	-	-
Other liabilities	(1 349)	-	(24)	(427)	-
TOTAL (net open positions long or short)	58 548	8 500	44 347	(383)	11 446

(thousand MOP)					
31 DECEMBER 2022					
	MOP	EUR	USD	HKD	CNY
Assets					
Bank balances and balances with the Monetary Authority of Macau	52 740	8 190	36 374	-	83
Other tangible assets	13 349	-	-	-	-
Intangible assets	100	-	-	-	-
Other assets	1 150	-	4 709	-	-
Liabilities					
Current tax liabilities	(3 705)	-	-	-	-
Other liabilities	(4 686)	-	-	(785)	(71)
TOTAL (net open positions long or short)	58 948	8 190	41 083	(785)	12

15. LIQUIDITY RISK

The table below reflects the liquidity risk indicators of the Macau Branch as at 30 June 2023 and 31 December 2022:

(thousand MOP)

LIQUIDITY RISK INDICATORS	30 JUNE 2023
Arithmetic mean of the minimum weekly amount of cash in hand that is required to be held during the period	52
Arithmetic mean of the average weekly amount of cash in hand during the period	72
Arithmetic mean of the specified liquid assets at the end of each month during the period	75 520
Average ratio of specified liquid asset to total basic liabilities at the end of each month during the period	1 782%
Arithmetic mean of its one-month liquidity ratio in the last week of each month during the period	11 301%
Arithmetic mean of its three-month liquidity ratio in the last week of each month during the period	8 075%

(thousand MOP)

LIQUIDITY RISK INDICATORS	31 DECEMBER 2022
Arithmetic mean of the minimum weekly amount of cash in hand that is required to be held during the year	11
Arithmetic mean of the average weekly amount of cash in hand during the year	91
Arithmetic mean of the specified liquid assets at the end of each month during the year	46 326
Average ratio of specified liquid asset to total basic liabilities at the end of each month during the year	4 906%
Arithmetic mean of its one-month liquidity ratio in the last week of each month during the year	14 187%
Arithmetic mean of its three-month liquidity ratio in the last week of each month during the year	8 719%