

Haitong International Named “Securities House of the Year” by 《Asia Risk》

Hong Kong, 29 September 2017 – Haitong International Securities Group Limited (“Haitong International”; Stock Code: 665.HK) was named as the “Securities House of the Year” in 《Asia Risk Award 2017》. This is the first time for Haitong International to participate in the competition and it is also the first time it garnered the award. The award aims to recognize a securities house with excellent performance in financial risk management, derivatives and structure products. The sound track record that Haitong International has no record of penalties charged by SFC since it has set root in Hong Kong has impressed the award judging panel.

Risk management is indispensable foundation for corporate growth. Haitong International has formulated its comprehensive definition, identification and measurement on risk, being enhanced with effective management from an overall perspective. The company has implemented risk management policies in every single business unit and deployed risk management specialists across market risk, credit risk and operational risk. The risk management teammates have been chartered with FRM qualification and obtained professional experience in various global investment banks.

Haitong International empowers its growth with excellent risk management as well as strong capital resources. Pursuant to recognition of BBB long-term issue rating by S&P Rating Services in 2014, the company was recently granted with Baa2 long-term issue rating and Prime-2 short-term issue rating by Moody’s with positive outlook, the highest rating issued by the rating agency for Chinese financial institutions. The company has multiple sources of capital and lower leverages than international peer companies, which enables the company to become the only Hong Kong-based subsidiaries of Chinese securities companies assigned an individual rating by Moody’s, reflecting a strong recognition of Haitong International’s branding and risk management abilities.

Haitong International has consistently set higher standards than industry peers and proactively improved and enhanced its risk management capability to accommodate dynamics in capital markets and complexity of financial products. In aspect of market risk, although Haitong International is not subjected to regulations of Basel Accord, the company has been voluntarily categorizing products and business into corresponding trading or bank accounts in accordance to classification rules on trading accounts and bank accounts in Basel III (FRTB) since the beginning of 2016. This move helps apply risk measurement such as VaR to better evaluate trading and non-trading market risk to the company.

This year, Haitong International includes additional forward-looking and predictive stress scenarios to its stress test on market risk management. Daily monitoring on the changes to the asset portfolios under these predictive stress scenarios has been adopted and the review on the predictive stress scenarios is under review on a quarterly basis. In the area of credit risk, several methodologies including intensive data mining, decision tree analysis, statistical modeling and machine learning have been employed, helping enhancing its so-called SCReEn system which used for conducting stock classification of Hong Kong stocks. A lower LTV ratio will be assigned to stocks with relative low standard of quality, and limitations may be imposed on those stocks to be used as collaterals.

Haitong International offers a wide range of financial services and products including corporate finance, brokerage, asset management, fixed income, currency and commodities (FICC), as well as institutional equities. It is also the only Chinese financial services provider to serve its client with a network covering Hong Kong, Singapore, Tokyo, New York, London and Mumbai. Total assets of Haitong International jumped 800% to HKD 132 billion as of the end of 2016, topping the Hong Kong-based Chinese brokerage.

《Asia Risk》 is the only international publication in Asia specializing in covering financial risk management and derivatives. This year marks the 18th anniversary that the magazine holds the Asia Risk Award event.





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Haitong International Securities Group Limited

Haitong International Securities Group Limited (“Haitong International”; Stock Code: 665.HK) is an international financial institution with established presence in Hong Kong and a rapidly expanding network across the globe. It strives to serve as a bridge linking up the Chinese and overseas capital markets. The parent company of Haitong International is Haitong Securities Co. Ltd (“Haitong Securities”, Stock Code: 600837.SH; 6837.HK). To date, Haitong International has well positioned to serve more than 200,000 corporate, institutional and retail clients worldwide. Its well established financial services business platform provides corporate finance, brokerage, asset management, fixed income, currency and commodities (FICC), institutional equities and a full spectrum of financial products and services. Haitong International possesses a sound risk management system that is in line with international standards. Haitong International has a global financial servicing network covering the world’s major capital markets including Hong Kong, Singapore, New York, London, Tokyo and Mumbai, thereby making us to be a leading boutique financial services provider in Asia-Pacific region.

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