

# 2022

东方证券

600958.SH / 3958.HK

# 经营业绩报告

Orient Securities 2022 Results Presentation



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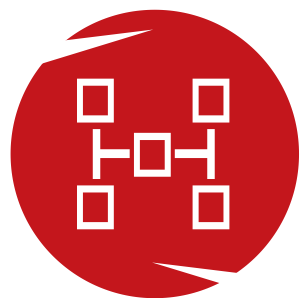
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发展展望

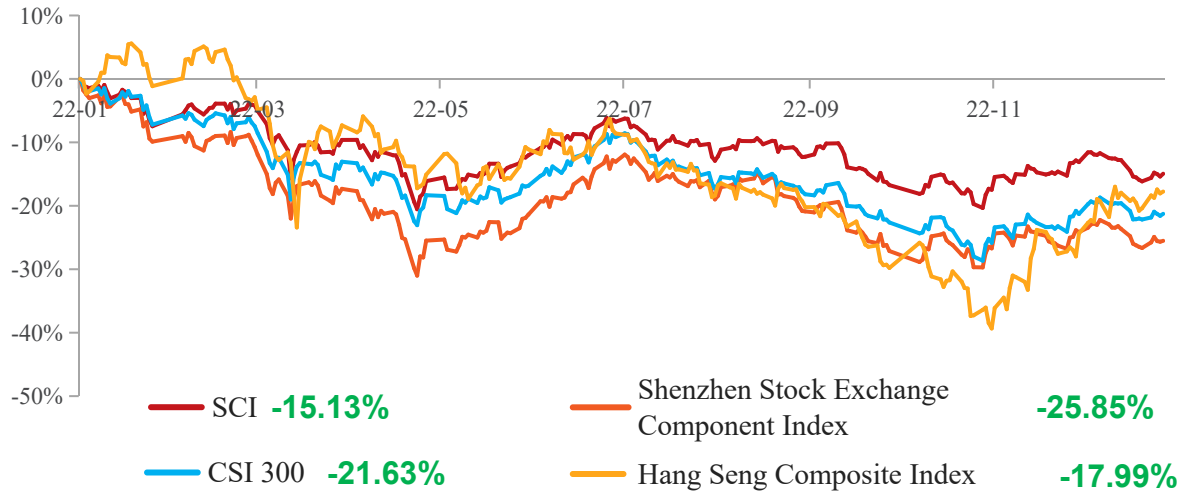
DEVELOPMENT OUTLOOK



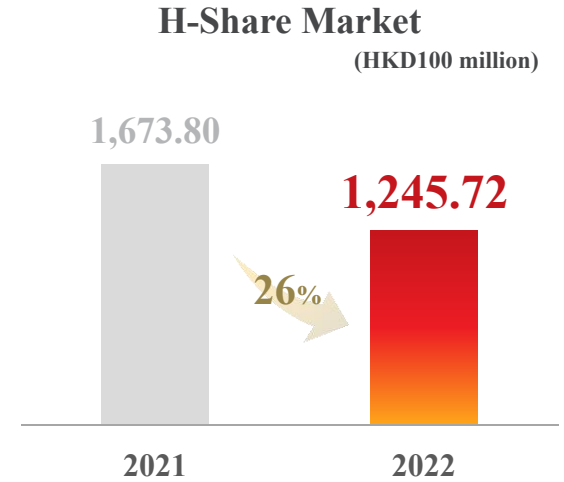
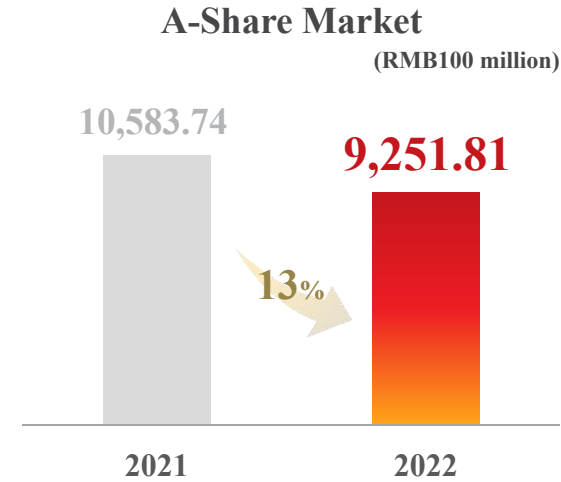
# Underperforming market Impacted by Multiple Factors

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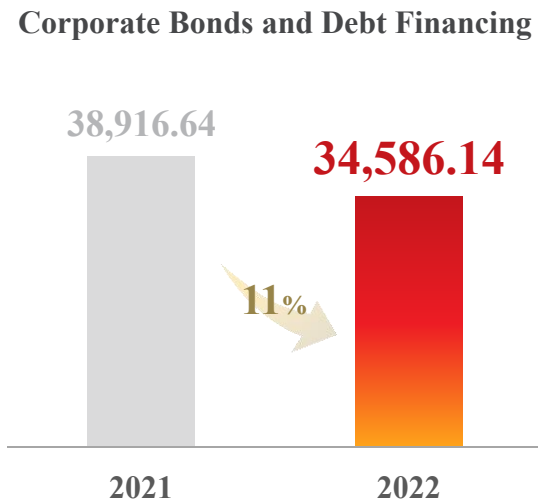
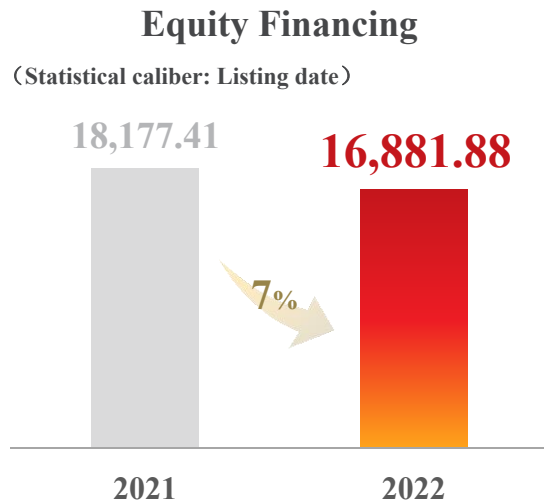
## Main Index Performance



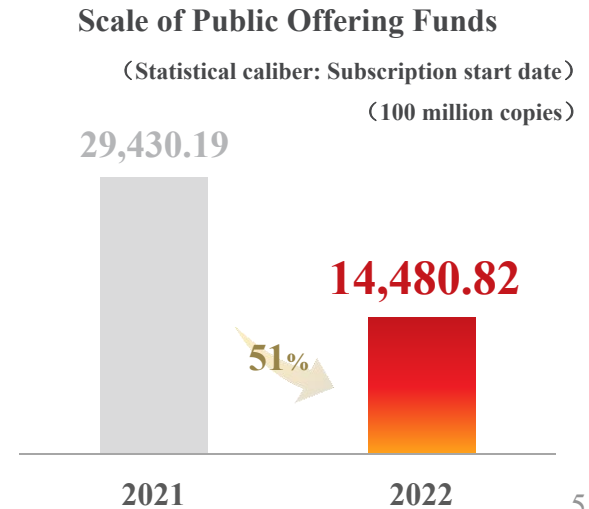
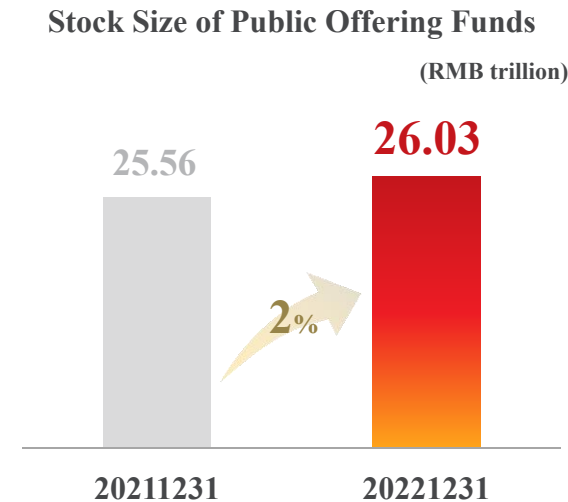
## Average daily Volume of Stocks



## Financing Scale (RMB100 million)



## Public Funds Overview

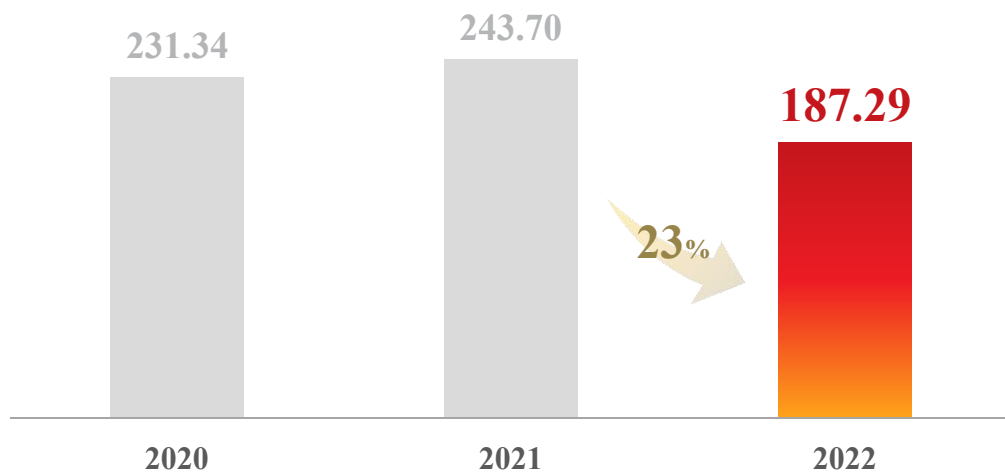




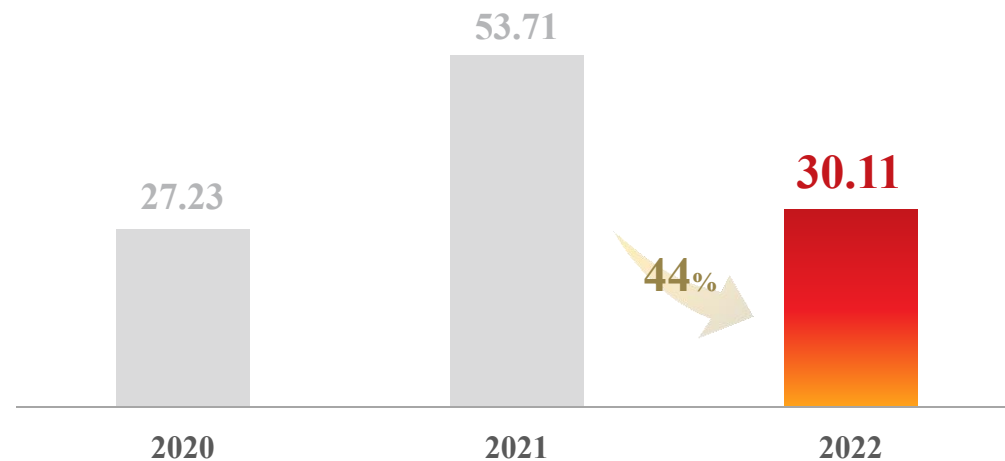
# Key Operating Data of the Company

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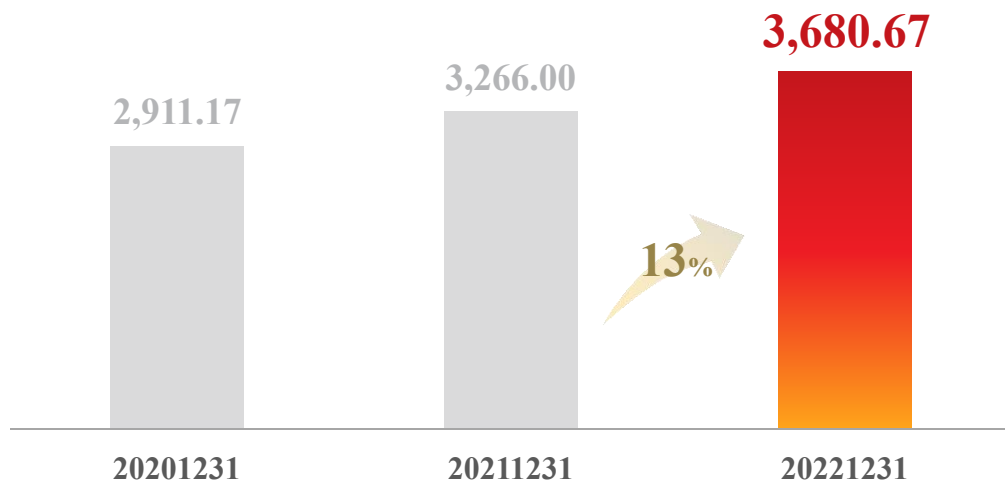
### Operating Income (RMB100 million)



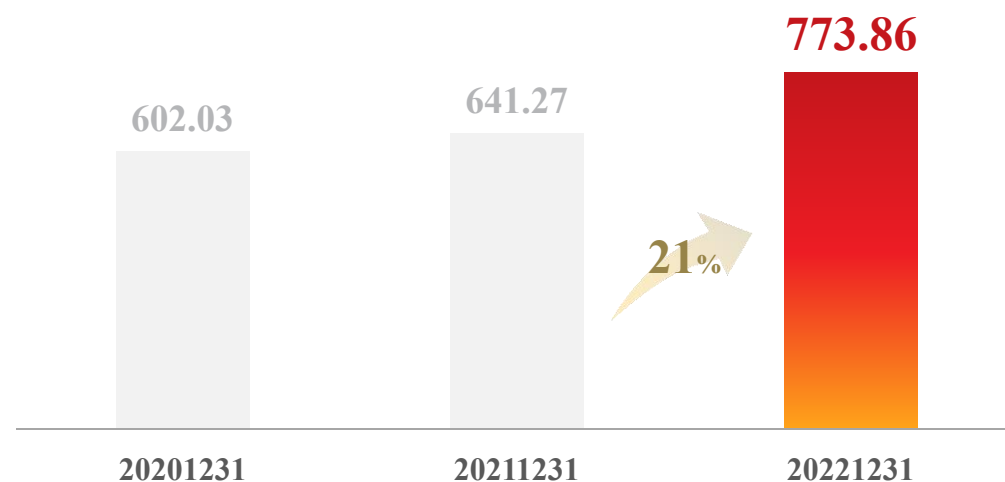
### Net Profit (RMB100 million)



### Total Assets (RMB100 million)



### Net Assets (RMB100 million)



## Enhanced capital strength

Completed A+H share placement, successfully raising RMB12.7 billion, effectively enhancing the company's anti-risk capability and helping each business segment to become bigger and stronger.

## Highlights of light asset business

Asset Management

Maintain a high net profit contribution, accounting for an average of **50%** in the last two years.

Investment Banks

Industry ranking improved, with many entering the **top 10**.

Wealth Management

Seize opportunities in innovative business such as fund investment consulting, institutional wealth management and pension fund sales.

Orient Futures

Key operating indicators remain the **top 5** in the industry.



## Maintaining solid operations

The Company strictly adheres to the bottom line of risk control and has got the AA rating in Class A or the A rating of securities dealers for 14 consecutive years.

## Sound development of asset-heavy business

FICC

**Record high** net income from fixed-income self-operated investments; obtain several important business qualifications.

Financial Derivatives

Significant growth in trading scale; market-making business achieved better return level.

Innovation Investment

Net profit grew against the trend.

Stock Pledge

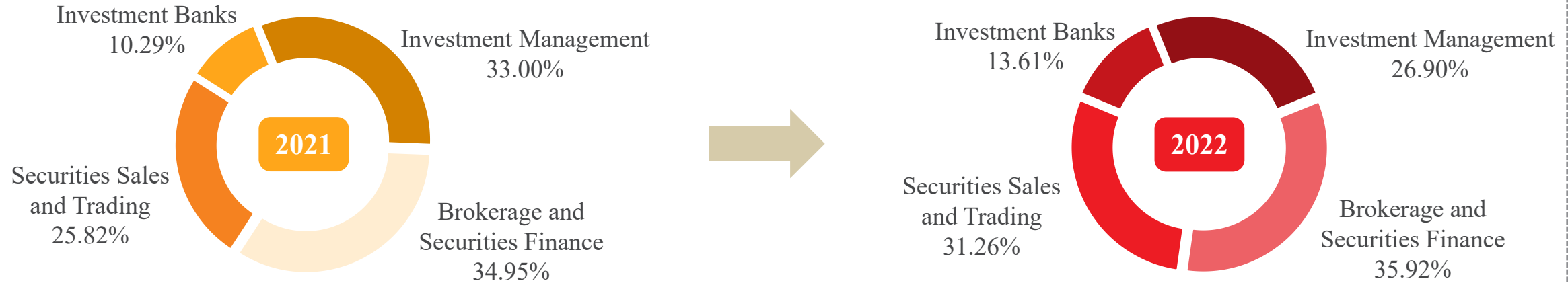
Continuously mitigate relevant risks.



# Revenue Structure and Amount Changes of Business Divisions

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Changes in revenue structure



Changes in revenue amount



Note: 1. Operating revenue from segment business and its percentage did not take into account consolidation offsetting factors; 2. Commodity trading revenue was excluded.



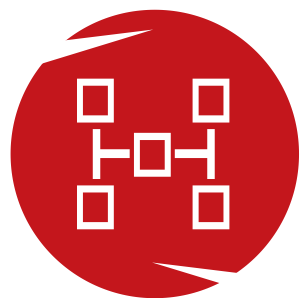
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## Overall management scale (RMB100 million)



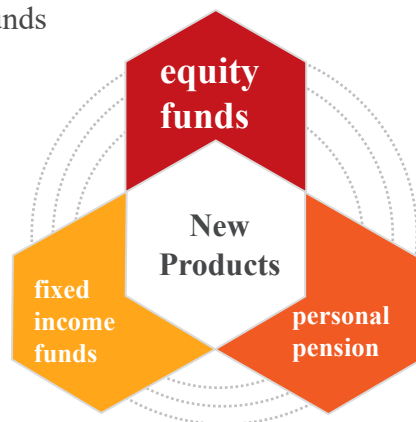
●	Total scale of entrusted assets	<b>2,847.52</b>
●	Scale of public funds	<b>2,071.32</b>
●	Proportion of long-term closed equity funds in the scale of all equity funds	<b>69%</b>

## Long-term investment performance remained at the forefront of the industry

	Yield	Industry ranking
Equity investment actively managed for the last seven years	<b>91.75%</b>	<b># 2</b>
Fixed income fund for the last five years	<b>26.37%</b>	<b>Top 1/5</b>

## Continuously expand the product matrix

- ◆ Medical upgrading thematic funds
- ◆ ESG sustainable investment thematic funds
- ◆ Short-term debt fund
- ◆ Interbank deposit certificate index fund



- ◆ Successful launch of pension target date 2045 FOF
- ◆ 3 pension target funds of Yihe series add Y class shares
- ◆ First assets management to be approved for additional Y shares in personal pension fund

## Growing brand influence

### 东方红万里行

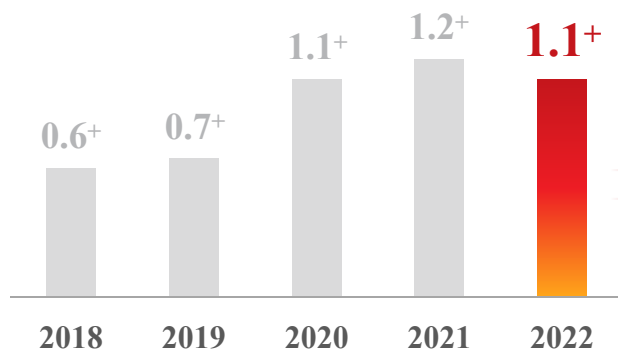


- ✓ Holding over 12,000 series of customer events in total.
- ✓ Covering hundreds of cities across the country, with over 1.9 million exchanges.

# Asset Management: China Universal Determine to Build Core Competitiveness

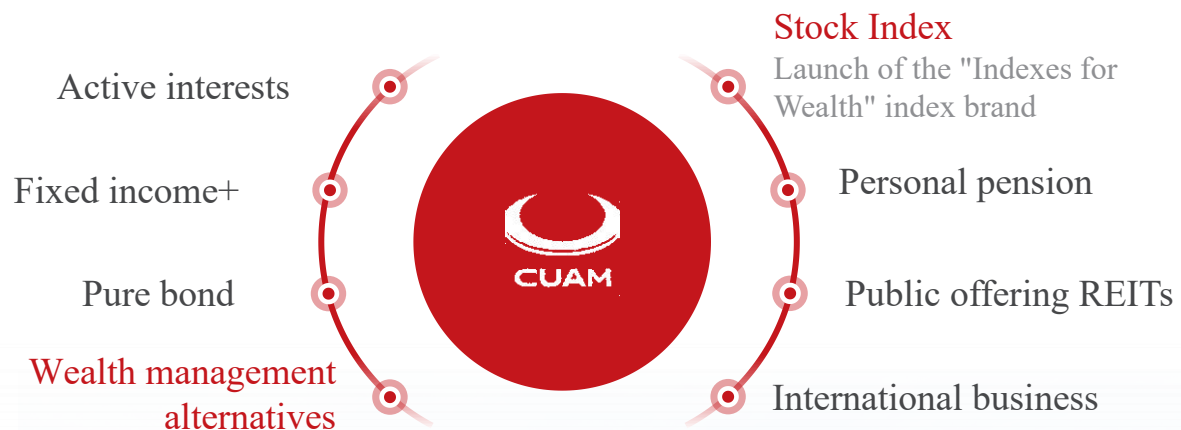
## Overall management scale (RMB trillion)

### Total scale of assets management



Public offering scale of non-monetary wealth management was RMB **530.225** billion.

## Improve multi-strategy, multi-asset product system



## Refine four core competencies

### Investment Management

Insist on building a clear and stable style of underlying assets.



### Compliance and Risk Control

Build a solid compliance and risk control system to enhance the effectiveness of risk management.

### Client service

Adhere to the customer first principle and deeply weave the customer service network.

### Business Innovation

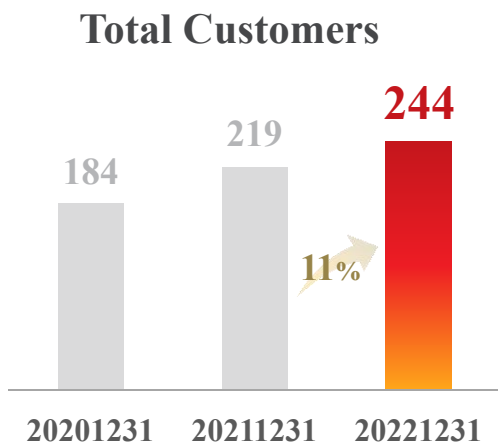
Further enriching the product selection and providing more diversified solutions.



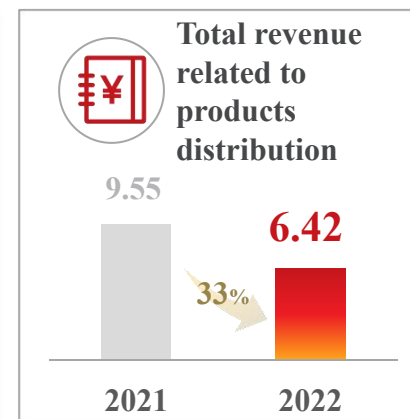
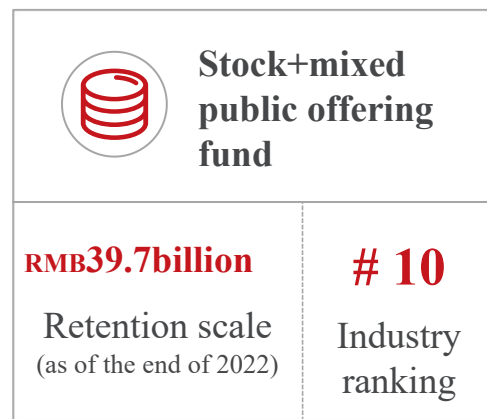
# Wealth Management: Adhere to Incremental Thinking to Promote Transformation Results

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## Brokerage Business



## Products Distribution

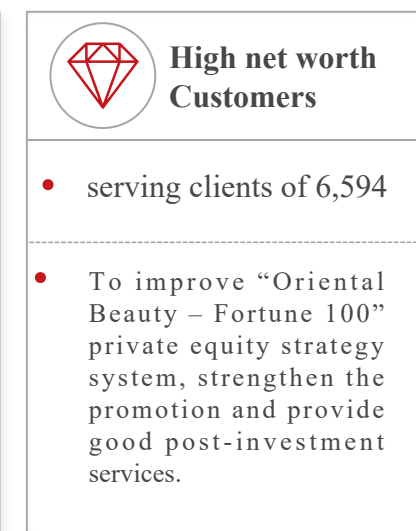
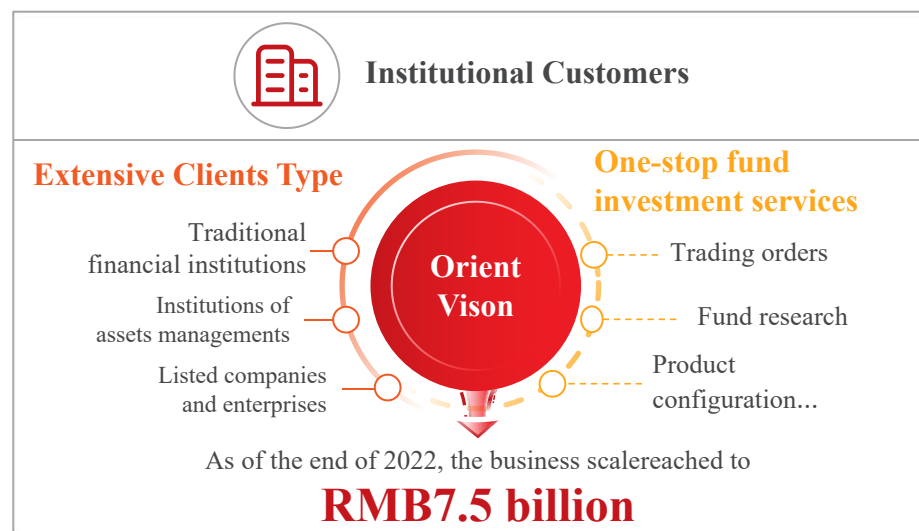


## Fund Investment Adviser



- Retention Scale**
- **RMB14.9 billion**
- Serveing Customers**
- **160,000**
- Customer Retention Rate**
- **83%**
- Customer Re-investment Rate**
- **71%**

## Institutional Customers and High net worth Customers



# Investment Bank: Several Indicators into Top 10 with Continuous progress

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## Stock underwriting



Project number

24



Underwriting amount

RMB23.4 billion



Industry ranking

# 13

amount and number of stock underwriting

# 9

number of stock- underwriting for additional projects



Benchmark projects



## Bond underwriting



Project number

475



Total underwriting scale

RMB336.3 billion



Industry ranking

# 7

consolidated total underwriting size

# 3

Underwriting of book-entry treasury bonds

# 2

Underwriting of China Development Bond and Agricultural Development Bond



Underwriting of interest rate bonds remained at the forefront of the industry

## Green finance



Number of domestic green bond projects

48



Proceeds from domestic green bond

RMB25.0+ billion



Number of domestic green share projects

8



Financing amount of domestic green share

~RMB16.0 billion



Supporting steady progress towards China's carbon neutrality goal



# Proprietary Trading and Institutional Sales Trading: Optimising Structure and Moving Forward with Innovation

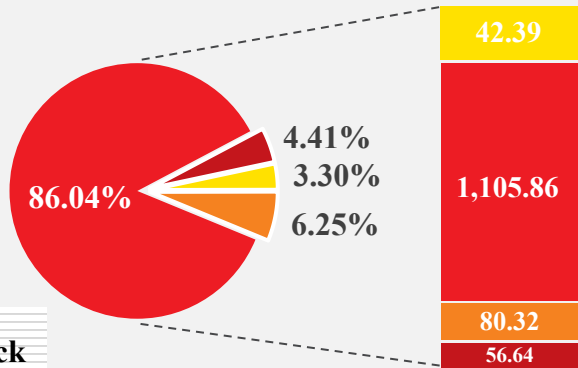


## Balance of proprietary trading business divided by asset class

(RMB100 million)

20221231

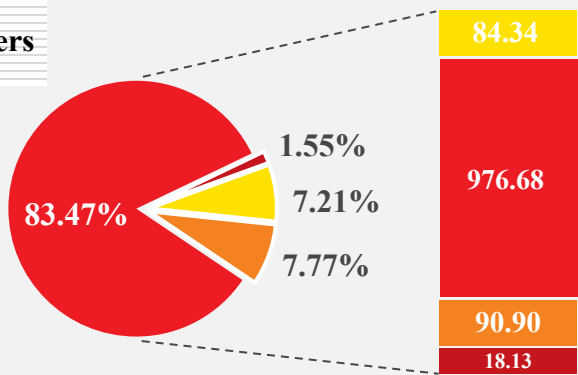
Total: 1,285.21



- Stock
- Bonds
- Funds
- Others

20211231

Total: 1,170.05



## Equity-based Investment

A balanced position with a bottom-up stock selection mindset; layout of innovative areas such as quantitative strategy investment and FOF investment; and the official opening of the market-making business on the Science and Technology Innovation Board.

### FICC



#### Fixed income proprietary investment

The transaction volume of cash bonds in the inter-bank market increased by **37.01%** YOY, and the transaction volume of interest rate swaps increased by **58.67%** YOY.



#### Market-making business

Bond Connect turnover increased by **62%** YOY; China Development Bond, Agricultural Development Bond and Export-Important Bank of China's Financial Bonds market making all **ranked first in the group**.



#### Innovation business

The scale of investment advisor project management increased by more than **150%**; launched a comprehensive foreign exchange business and strengthened the brand of "Orient Zhihui" foreign exchange.

## Financial Derivatives



#### Market-making business

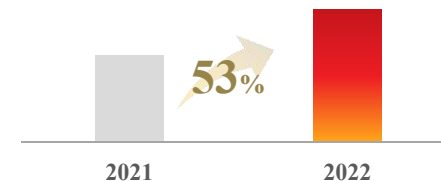
Good balance of brokerage responsibilities and business earnings, with revenue up **86%** YOY.



#### OTC Options

Transaction Scale

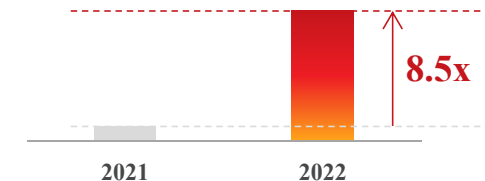
**RMB103.3 billion**



#### Income Swaps

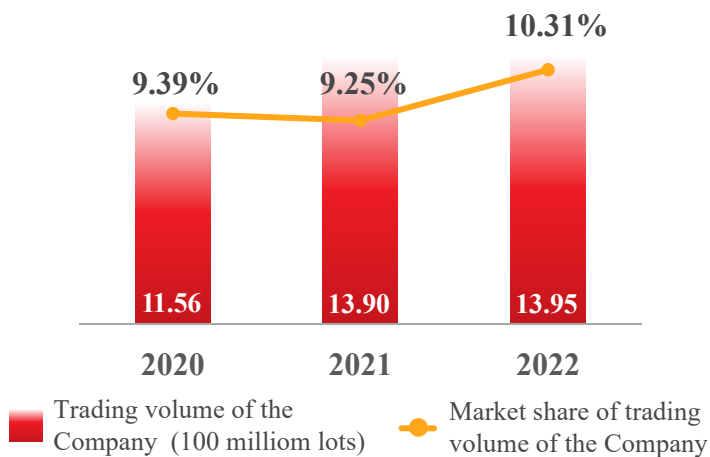
Transaction Scale

**RMB18.8 billion**

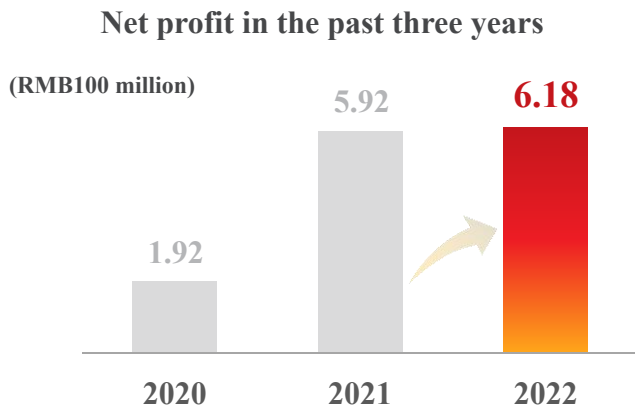


## 东方证券 | 期货

Trading volume ranked first in the country for four consecutive years

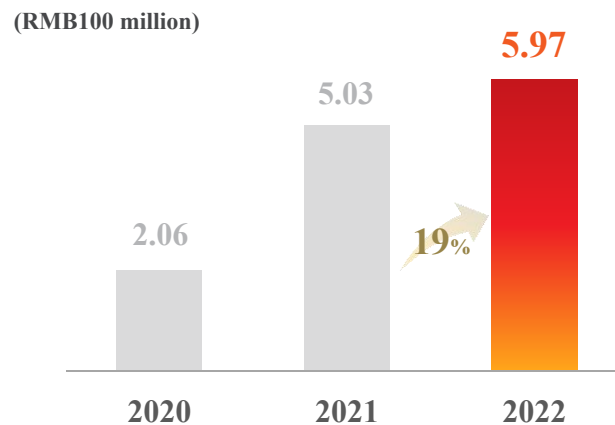


Operating income and net profit ranked third in the industry

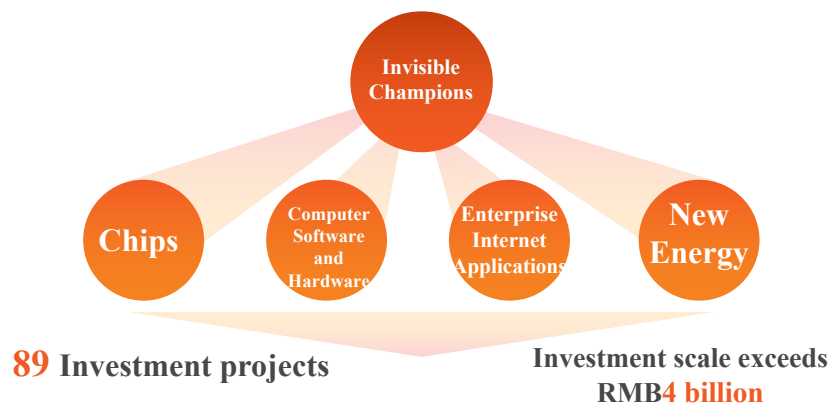


## 东方证券 | 创新投资

Net profit up against the trend

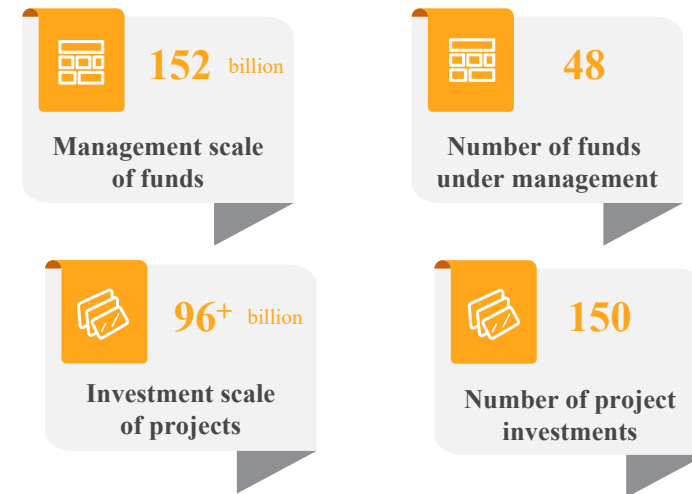


Equity investments seek progress while mataining stability



## 东方证券 | 东证资本

Sound operation of the fund-raising segment



Multiple projects listed in the capital market

- 12 target companies Completed listing or passed the issuance review committee within the year
- 3 target companies Applied for IPO and was been accepted within the year
- 20 target companies Is under listing



# Financial Technology: Independent R&D Actively Contributes to Business Development

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Empowering business development, forming two-wheel drive of technology and business

## Self-operated platform

- Fully realize independent research and development of transactions;
- Assist in the official development of bond market-making business;
- Achieve full coverage of the interbank market bond spot trading model.

## OST system

- Trading speed remained at the forefront of the industry.

## Quantitative ecosystem

- The Group's digital business is interconnected.

## Octopus Internet APP

- Promote the integration of securities and futures trading.

Improving the level of management informatization and implementing the middle platform strategy

## Thick middle platform and thin application

- Continue to empower the digital transformation of business through innovative technology middle platform such as artificial intelligence and blockchain;
- Complete the construction of full link service functions through the data middle platform.

## Risk management system

- Accelerate conglomeration and intelligence.

## IT digital management platform

- Steering room provides the basis for management decisions.

## Data governance

- Full life-cycle control coverage of data.





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Adhere to the general tone of “**making progress while ensuring stability**”



**Stabilize growth**



**Promote development**



Strive to forge a high-quality development path **that not only follows the general rules of financial institutions but also has the characteristics of Oriental Securities.**

Become a modern investment bank with industry first-class core competitiveness and provide comprehensive financial services to customers.



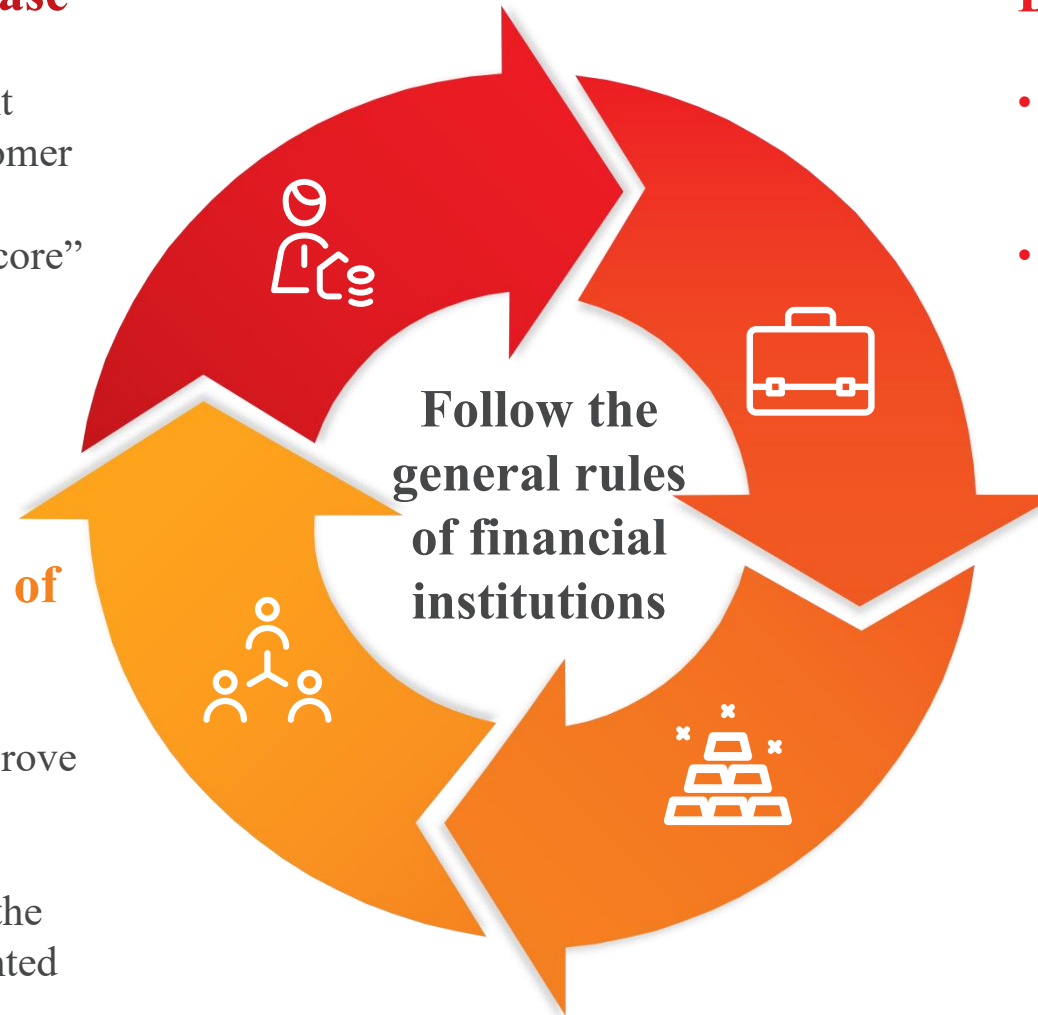


## Focus on weak customer base

- Focus on solving the development bottleneck problem of weak customer base and regard customer development and service as the “core” project

## Strengthen the construction of talent team

- Increase the use of talent and improve the evaluation and incentive mechanism;
- Carry forward the advantages of the corporate culture of “people oriented and common struggle”.

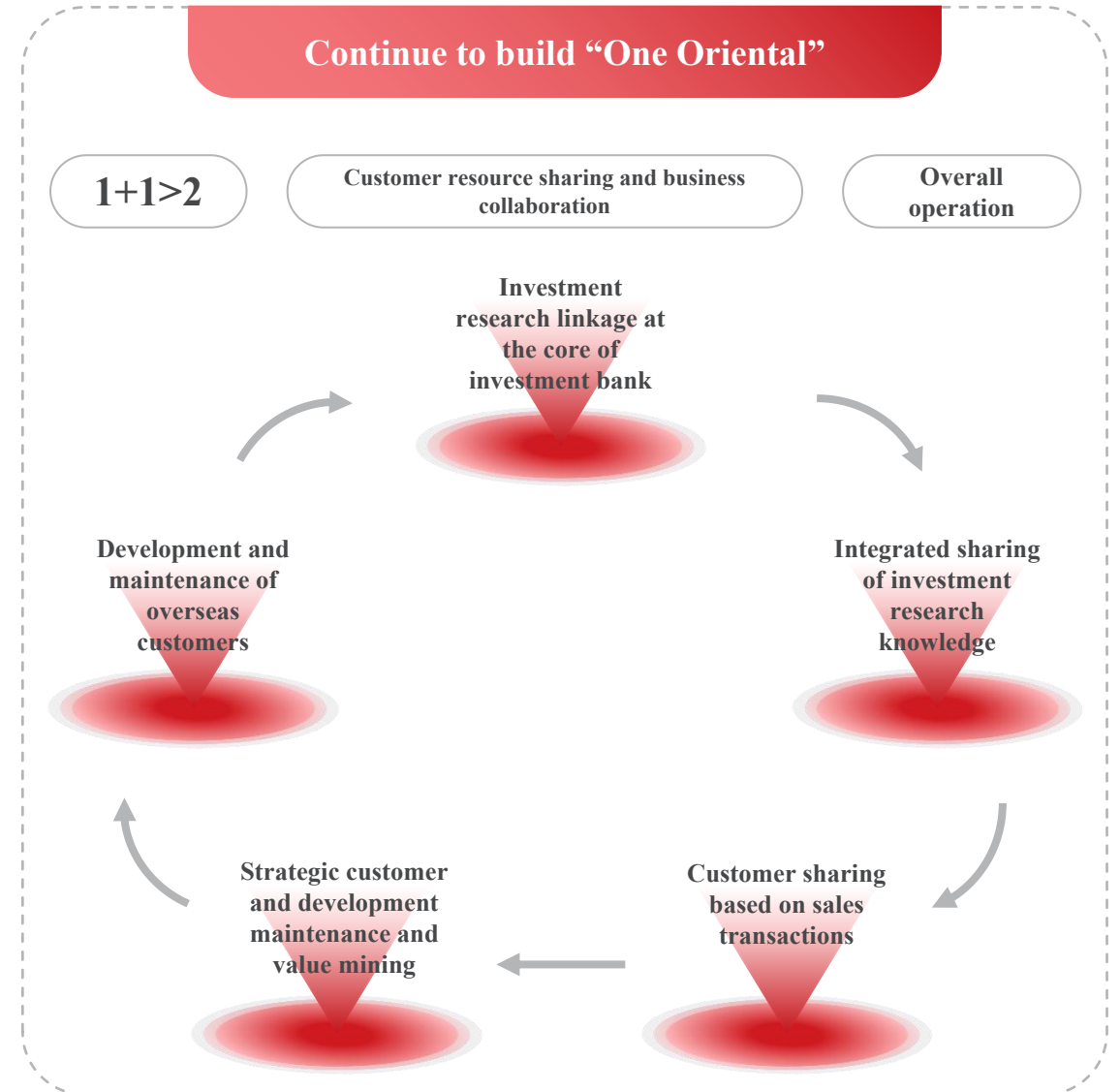
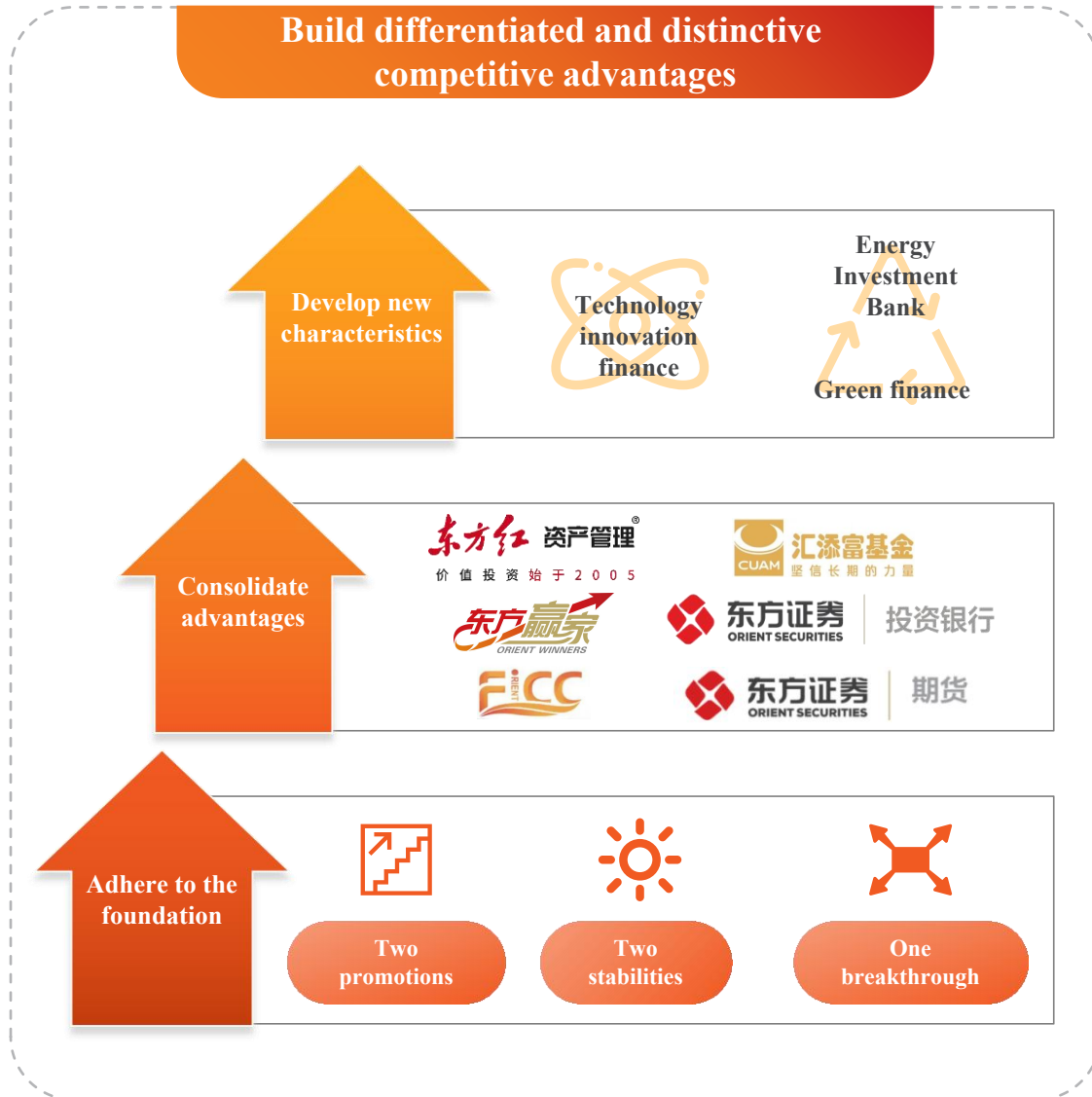


## Build balanced business structure

- Promote the structural balance between the Company's overall light and heavy asset businesses;
- Promote the structural balance between traditional and innovative business within each business line.

## Reasonable and effective allocation of capital

- Manage the company's assets and liabilities well





# Key Points of work in Eight Major Fields

## Corporate Finance



Play a leading role in the investment banking business, promote the integrated development of light and heavy asset businesses, and continuously improve the service efficiency for the whole life cycle of enterprises.

## Retail Finance



Adhere to the transformation of wealth management, stabilize the first mover advantage of innovation, and vigorously increase the number and improve the quality of customers.

## Institutional Finance



Steadily improve the return on investment, focus on building a wholly-owned domestic and foreign institutional sales and trading platform, accelerate the transformation of sales and trading, and increase investment in business on customer's demand.

## Asset Management



Effectively enhance investment and research capabilities, rebuild business advantages, stabilize industry leadership, and amplify brand radiation effects.

## Compliance and Risk Control



Improve the endogenous compliance and risk control system and promote the effective balance and organic integration of compliance risk control and business development.

## Financial Technology



Strengthen breakthroughs in the application of financial technology and continue to promote the deep integration of technology and business; accelerate digital transformation and improve operational management effectiveness and efficiency.

## Personnel Training



Strengthen the top-level design of talent system construction, iteratively innovate talent introduction and training models, and improve the top-level design of remuneration system.

## Management Mechanism



Promote the reform and innovation of management system and improve management efficiency.

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