

BPI Wealth Hong Kong Limited

**Banking Disclosure Statements for the quarter ended 30 September 2024
(Unaudited)**

BPI WEALTH HONG KONG LIMITED

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Basis of Preparation

The key prudential ratios related to regulatory capital and buffers, leverage ratio and liquidity ratios of BPI Wealth Hong Kong Limited (the “Company”) are calculated in accordance with the Banking (Capital) Rules (“BCR”) and Banking (Liquidity) Rules (“BLR”), respectively.

These regulatory capital ratios represent the solo/combined ratio of the Company under section 3C (1) of the BCR. The Company uses the Basic Approach (“BSC”) in calculating the credit risk of its non-securitization exposures and the Basic Indicator Approach (“BIA”) in calculating its operational risk. The Company is exempted by the Hong Kong Monetary Authority (“HKMA”) from computing its market risk.

Part I: Key Prudential Ratios and Overview of RWAs

1. Table 1 - KM1: Key Prudential Ratios

The following disclosures are made in accordance with section 16AB in part 2A of the Banking (Disclosure) Rules.

| | | (a) | (b) | (c) | (d) | (e) |
|----|--|----------------|----------------|----------------|----------------|----------------|
| | | 30 Sep 2024 | 30 Jun 2024 | 31 Mar 2024 | 31 Dec 2023 | 30 Sep 2023 |
| | Regulatory capital (amount) (HK\$'000) | | | | | |
| 1 | Common Equity Tier 1 (CET1) | 169,097 | 166,799 | 164,997 | 163,608 | 157,851 |
| 2 | Tier 1 | 169,097 | 166,799 | 164,997 | 163,608 | 157,851 |
| 3 | Total capital | 169,946 | 167,663 | 165,861 | 164,472 | 158,721 |
| | RWA (amount) (HK\$'000) | | | | | |
| 4 | Total RWA | 245,822 | 249,656 | 245,349 | 242,223 | 256,177 |
| | Risk-based regulatory capital ratios (as a percentage of RWA) | | | | | |
| 5 | CET1 ratio (%) | 68.79% | 66.81% | 67.25% | 67.54% | 61.62% |
| 6 | Tier 1 ratio (%) | 68.79% | 66.81% | 67.25% | 67.54% | 61.62% |
| 7 | Total capital ratio (%) | 69.13% | 67.16% | 67.60% | 67.90% | 61.96% |
| | Additional CET1 buffer requirements (as a percentage of RWA) | | | | | |
| 8 | Capital conservation buffer requirement (%) | 2.500% | 2.500% | 2.500% | 2.500% | 2.500% |
| 9 | Countercyclical capital buffer requirement (%) | 0 | 0 | 0 | 0 | 0 |
| 10 | Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs) | N/A | N/A | N/A | N/A | N/A |
| 11 | Total AI-specific CET1 buffer requirements (%) | 2.500% | 2.500% | 2.500% | 2.500% | 2.500% |
| 12 | CET1 available after meeting the AI's minimum capital requirements (%) | 55.38% | 53.41% | 53.85% | 54.15% | 48.21% |
| | Basel III leverage ratio | | | | | |
| 13 | Total leverage ratio (LR) exposure measure (HK\$'000) | 424,498 | 397,001 | 392,660 | 385,589 | 399,931 |
| 14 | LR (%) | 39.83% | 42.01% | 42.02% | 42.43% | 39.47% |
| | Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR) | | | | | |
| | Applicable to category 1 institution only: | | | | | |
| 15 | Total high quality liquid assets (HQLA) | N/A | N/A | N/A | N/A | N/A |
| 16 | Total net cash outflows | N/A | N/A | N/A | N/A | N/A |
| 17 | LCR (%) | N/A | N/A | N/A | N/A | N/A |

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| | | (a) | (b) | (c) | (d) | (e) |
|---|---|----------------|----------------|----------------|----------------|----------------|
| | | 30 Sep 2024 | 30 Jun 2024 | 31 Mar 2024 | 31 Dec 2023 | 30 Sep 2023 |
| | Applicable to category 2 institution only: | | | | | |
| 17a | LMR (%) | 1,883.14% | 1,053.84% | 2,171.27% | 1,063.49% | 1,916.22% |
| Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR) | | | | | | |
| | Applicable to category 1 institution only: | | | | | |
| 18 | Total available stable funding | N/A | N/A | N/A | N/A | N/A |
| 19 | Total required stable funding | N/A | N/A | N/A | N/A | N/A |
| 20 | NSFR (%) | N/A | N/A | N/A | N/A | N/A |
| | Applicable to category 2A institution only: | | | | | |
| 20a | CFR (%) | N/A | N/A | N/A | N/A | N/A |

The Company is categorized as category 2 institution by the Hong Kong Monetary Authority (HKMA); thus, the following ratios does not apply: Liquidity Coverage Ratio (“LCR”), Net Stable Funding Ratio (“NSFR”), and Core Funding Ratio (“CFR”).

The regulatory capital, RWA’s, risk-based regulatory capital ratios, and additional buffer requirements are from the Return of Capital Adequacy Ratio submitted to the HKMA on a solo/ combined basis under section 3C(1) of the BCR.

The Basel III Leverage Ratio disclosures are from the Return of Leverage Ratio submitted to the HKMA under Part 1C of the BCR.

The increase in the total leverage ratio exposure measure was mainly due to the additional customer time deposits in Q3 of 2024.

The liquidity condition of the Company is monitored daily by the Company’s Chief Executive. The balance between liquidity and profitability is carefully considered, but the former is given higher priority in case of conflicts in meeting targets or regulatory requirements.

The Company computes its Liquidity Maintenance Ratio (“LMR”) on Hong Kong office basis as required under rule 10(1)(a) of the BLR. The LMR is calculated based on the average value of the LMR for each calendar month, as reported in the Return of Liquidity Position submitted to the HKMA and the ratios presented above are the average quarterly LMR for the reporting period.

The increase in the average LMR from the last quarter was mainly due to the decrease in the average customer’s time deposit that falls within one month.

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Capital Requirements and RWAs

The following disclosures are made in accordance with section 16C in part 2A (Division 2) of the Banking (Disclosure) Rules.

2. Table 2 - OV1: Overview of RWAs

The following table provides an overview of the capital requirement in terms of a detailed breakdown of RWAs for credit risk, market risk, and operational risk. The minimum capital requirements are calculated as 8% of the risk-weighted assets as of the reporting date.

| | | (a) | (b) | (c) |
|-----|---|---------------------------|---------------------------|------------------------------|
| | | RWA | | Minimum capital requirements |
| | | 30 Sep 2024 (HK\$'000) | 30 Jun 2024 (HK\$'000) | 30 Sep 2024 (HK\$'000) |
| 1 | Credit risk for non-securitization exposures | 134,772 | 138,818 | 10,782 |
| 2 | Of which STC approach | - | - | - |
| 2a | Of which BSC approach | 134,772 | 138,818 | 10,782 |
| 3 | Of which foundation IRB approach | - | - | - |
| 4 | Of which supervisory slotting criteria approach | - | - | - |
| 5 | Of which advanced IRB approach | - | - | - |
| 6 | Counterparty default risk and default fund contributions | - | - | - |
| 7 | Of which SA-CCR* | N/A | N/A | N/A |
| 7a | Of which CEM | - | - | - |
| 8 | Of which IMM(CCR) approach | - | - | - |
| 9 | Of which others | - | - | - |
| 10 | CVA risk | - | - | - |
| 11 | Equity positions in banking book under the simple risk-weight method and internal models method | - | - | - |
| 12 | Collective investment scheme ("CIS") exposures – LTA* | N/A | N/A | N/A |
| 13 | CIS exposures – MBA* | N/A | N/A | N/A |
| 14 | CIS exposures – FBA* | N/A | N/A | N/A |
| 14a | CIS exposures – combination of approaches* | N/A | N/A | N/A |
| 15 | Settlement risk | - | - | - |
| 16 | Securitization exposures in banking book | - | - | - |
| 17 | Of which SEC-IRBA | - | - | - |
| 18 | Of which SEC-ERBA (including IAA) | - | - | - |
| 19 | Of which SEC-SA | - | - | - |
| 19a | Of which SEC-FBA | - | - | - |
| 20 | Market risk | - | - | - |
| 21 | Of which STM approach | - | - | - |
| 22 | Of which IMM approach | - | - | - |
| 23 | Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect) * | N/A | N/A | N/A |

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| | | (a) | (b) | (c) |
|-----|--|---------------------------|---------------------------|------------------------------|
| | | RWA | | Minimum capital requirements |
| | | 30 Sep 2024 (HK\$'000) | 30 Jun 2024 (HK\$'000) | 30 Sep 2024 (HK\$'000) |
| 24 | Operational risk | 111,050 | 110,838 | 8,884 |
| 24a | Sovereign concentration risk** | - | - | - |
| 25 | Amounts below the thresholds for deduction (subject to 250% RW) | - | - | - |
| 26 | Capital floor adjustment | - | - | - |
| 26a | Deduction to RWA | - | - | - |
| 26b | Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital | - | - | - |
| 26c | Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital | - | - | - |
| 27 | Total | 245,822 | 249,656 | 19,666 |

**The Company has no sovereign concentration risk for the reporting period.

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Part IIC: Leverage Ratio

3. Table 3 – LR2: Leverage Ratio (“LR”)

The table below provides a detailed breakdown of the components of the Leverage Ratio denominator as at 30 Sep 2024.

| | | (a) | (b) |
|--|--|-------------|-------------|
| | | (HK\$ '000) | |
| | | 30 Sep 2024 | 30 Jun 2024 |
| On-balance sheet exposures | | | |
| 1 | On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral) | 425,347 | 397,865 |
| 2 | Less: Asset amounts deducted in determining Tier 1 capital | 846 | 846 |
| 3 | Total on-balance sheet exposures (excluding derivative contracts and SFTs) | 424,501 | 397,019 |
| Exposures arising from derivative contracts | | | |
| 4 | Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting) | - | - |
| 5 | Add-on amounts for PFE associated with all derivative contracts | - | - |
| 6 | Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework | - | - |
| 7 | Less: Deductions of receivables assets for cash variation margin provided under derivative contracts | - | - |
| 8 | Less: Exempted CCP leg of client-cleared trade exposures | - | - |
| 9 | Adjusted effective notional amount of written credit derivative contracts | - | - |
| 10 | Less: Adjusted effective notional offsets and add-on deductions for written credit derivative contracts | - | - |
| 11 | Total exposures arising from derivative contracts | - | - |
| Exposures arising from SFTs | | | |
| 12 | Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions | - | - |
| 13 | Less: Netted amounts of cash payables and cash receivables of gross SFT assets | - | - |
| 14 | CCR exposure for SFT assets | - | - |
| 15 | Agent transaction exposures | - | - |
| 16 | Total exposures arising from SFTs | - | - |
| Other off-balance sheet exposures | | | |
| 17 | Off-balance sheet exposure at gross notional amount | - | - |
| 18 | Less: Adjustments for conversion to credit equivalent amounts | - | - |
| 19 | Off-balance sheet items | - | - |
| Capital and total exposures | | | |
| 20 | Tier 1 capital | 169,097 | 166,799 |
| 20a | Total exposures before adjustments for specific and collective provisions | 424,501 | 397,019 |
| 20b | Adjustments for specific and collective provisions | (3) | (18) |
| 21 | Total exposures after adjustments for specific and collective provisions | 424,498 | 397,001 |
| Leverage ratio | | | |
| 22 | Leverage ratio | 39.83% | 42.01% |

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Part VI: Market Risk

MR2: RWA flow statements of market risk exposures under IMM approach

MR2 section does not apply to the Company for the reason that it is under Basic Approach (BSC).