

**BPI Wealth Hong Kong Limited**

**Unaudited Interim Results  
For the six months ended 30 June 2024**

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## Directors' Report

The directors of BPI Wealth Hong Kong Limited (the "Company", formerly known as BPI International Finance Limited) are pleased to announce that the unaudited interim results of the Company's operations for the six months ended 30 June 2024.

### Principal activities

The Company is a deposit-taking company registered under the Hong Kong Banking Ordinance. The Company is licensed under the Hong Kong Securities and Futures Ordinance for dealing in securities, advising on securities and asset management activities. Its principal activities are the provision of financial services and dealing in securities on behalf of customers.

### Results and appropriations

The results of the Company for the period ended 30 June 2024 are set out in the statement of profit and loss and other comprehensive income on page 3.

The directors do not recommend the payment of interim dividend in 2024 (2023: Nil).

### Directors of the Company

The directors of the Company during the period and up to the date of this report were:

Maria Theresa Marcial Javier  
Ki Myung Hong  
Lizbeth Joan Pek Yulo (Resigned on 18 July 2024)  
Tomas S. Chuidian  
Jesse Ong Ang  
Luis Antonio Pando Zialcita

There being no provision in the Company's articles of association in connection with the retirement of directors, all existing directors continue in office.

### **Directors' material interests in transactions, arrangements and contracts that are significant in relation to the Company's business**

No transactions, arrangements and contracts of significance in relation to the Company's business to which the Company's fellow subsidiaries or its parent company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

At no time during the period was the Company, its fellow subsidiaries, its parent company or its other associated corporations a party to any arrangement to enable the directors and chief executives of the Company (including their spouse and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its specified undertakings or other associated corporations.

### **Management contracts**

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the period.

### **Permitted indemnity provisions**

At no time during the period and up to the date of this Directors' report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Company.

### **Compliance with the Banking (Disclosure) Rules**

The Company is required to comply with the Banking (Disclosure) Rules. The Banking (Disclosure) Rules set out the minimum standards for public disclosure which authorized institutions must make in respect of the statement of profit and loss and other comprehensive income, its state of affairs and capital adequacy. The financial statements for the six months ended 30 June 2024 comply fully with the applicable disclosure provisions of the Banking (Disclosure) Rules.

On behalf of the Board



Luis Antonio Fando Zialcita

Hong Kong

19 SEP 2024

Statement of profit and loss  
and other comprehensive income  
for the six months ended 30 June 2024 (unaudited)

	Note	For the six months ended 30 Jun 2024 HK\$'000	For the six months ended 30 Jun 2023 HK\$'000
Interest income	3	9,022	8,646
Interest expense		<u>(4,262)</u>	<u>(4,139)</u>
Net interest income		4,760	4,507
Other operating income	4	<u>23,640</u>	<u>24,393</u>
Total operating income		28,400	28,900
Credit impairment release		-	123
Operating expenses	5	<u>(25,076)</u>	<u>(22,090)</u>
Profit from operations		3,324	6,933
Finance costs	7	<u>(49)</u>	<u>(85)</u>
Profit before taxation		3,275	6,848
Income tax	6	<u>-</u>	<u>-</u>
Profit for the period		<u>3,275</u>	<u>6,848</u>
<b>Other comprehensive income:</b>			
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of Financial assets designated at fair value through other comprehensive income, net of tax		<u>(83)</u>	<u>212</u>
<b>Total comprehensive income for the period</b>		<u>3,192</u>	<u>7,060</u>

The notes on pages 8 to 19 are an integral part of these financial statements.

## Statement of financial position as at 30 June 2024 (unaudited)

	Note	As at 30 Jun 2024 HK\$'000	As at 31 Dec 2023 HK\$'000
<b>Assets</b>			
Cash and short-term funds	8	79,149	72,184
Placements with banks and other financial institutions maturing between one and twelve months	9	112,983	103,330
Advances and other accounts	10	44,758	36,708
Financial assets designated at fair value through other comprehensive income	11	154,621	165,441
Fixed assets	12	3,468	5,850
Intangible assets	13	90	126
Deferred tax assets	20	2,778	2,778
Total assets		<u>397,847</u>	<u>386,417</u>
<b>Liabilities</b>			
Time deposits from customers		218,112	206,810
Lease liabilities	14	3,440	5,785
Other payables		5,872	6,590
Total liabilities		<u>227,424</u>	<u>219,185</u>
<b>Equity</b>			
Share capital		75,000	75,000
Retained earnings		86,784	83,502
Capital contribution reserve		9,899	9,907
Investment revaluation reserve		(1,260)	(1,177)
		<u>170,423</u>	<u>167,232</u>
Total equity and liabilities		<u>397,847</u>	<u>386,417</u>

The financial statements on pages 3 to 19 were approved by the Board of Directors on and were signed on its behalf.

  
\_\_\_\_\_  
Maria Theresa Marcial Javier  
Director  
19 SEP 2024

  
\_\_\_\_\_  
Luis Antonio Pando Zalcita  
Director  
19 SEP 2024

The notes on pages 8 to 19 are an integral part of these financial statements.

## Statement of changes in equity for the six months ended 30 June 2024 (unaudited)

	Share capital HK\$'000	Investment revaluation reserve HK\$'000	Retained earnings HK\$'000	Capital contribution reserve HK\$'000	Total HK\$'000
<b>At 1 January 2023</b>	75,000	(2,420)	79,305	-	151,885
Profit for the year	-	-	4,197	-	4,197
Other comprehensive income	-	-	-	-	-
Change in fair value of Financial assets designated at fair value through other comprehensive income, net of tax	-	1,243	-	-	1,243
Total comprehensive income for the year	-	1,243	4,197	-	5,440
Capital contribution	-	-	-	9,907	9,907
<b>At 31 December 2023 and 1 January 2024</b>	75,000	(1,177)	83,502	9,907	167,232
Profit for the period	-	-	3,275	-	3,275
Other comprehensive income	-	-	-	-	-
Change in fair value of Financial assets designated at fair value through other comprehensive income, net of tax	-	(83)	-	-	(83)
Total comprehensive income for the period	-	(83)	3,275	-	3,192
Adjustment on foreign exchange	-	-	7	(8)	(1)
<b>At 30 June 2024</b>	75,000	(1,260)	86,784	9,899	170,423

The notes on pages 8 to 19 are an integral part of these financial statements.

## Statement of cash flows for the six months ended 30 June 2024 (unaudited)

	Note	For the six months ended 30 Jun 2024 HK\$'000	For the six months ended 30 Jun 2023 HK\$'000
<b>Net cash inflow/ (outflow) from operating activities before taxation</b>	18	<u>22,809</u>	<u>(27,368)</u>
Hong Kong profits tax paid		<u>-</u>	<u>-</u>
<b>Net cash inflow/ (outflow) from operating activities after taxation</b>		<u>22,809</u>	<u>(27,368)</u>
<b>Investing activities</b>			
Purchase of Fixed assets		(5)	(141)
Proceeds from disposal of PPE		<u>1</u>	<u>1</u>
<b>Net cash outflow from investing activities</b>		<u>(5)</u>	<u>(140)</u>
<b>Financing activities</b>			
Lease payment (principal portion)		(2,346)	(2,303)
Lease payment (interest portion)		<u>(49)</u>	<u>(85)</u>
<b>Net cash outflow from financing activities</b>		<u>(2,395)</u>	<u>(2,388)</u>



**Statement of cash flows**  
**for the six months ended 30 June 2024 (unaudited)**  
**(continued)**

	<i>Note</i>	<i>For the six months ended 30 Jun 2024 HK\$'000</i>	<i>For the six months ended 30 Jun 2023 HK\$'000</i>
<b>Increase/ (decrease) in cash and cash equivalents</b>		20,409	(29,896)
Cash and cash equivalents at 1 January		<u>123,542</u>	<u>151,861</u>
Cash and cash equivalents at 30 June		<u><u>143,951</u></u>	<u><u>121,965</u></u>
<b>Analysis of cash and cash equivalents</b>			
Balances with banks and other financial institutions	8	33,558	30,832
Placement with banks and other financial institutions with original maturity within three months		<u>110,393</u>	<u>91,133</u>
		<u><u>143,951</u></u>	<u><u>121,965</u></u>

The notes on pages 8 to 19 are an integral part of these financial statements.

## Notes to the financial statements

### 1 General information

The principal activities of BPI Wealth Hong Kong Limited (the "Company", formerly known as BPI International Finance Limited) are the provision of financial services and dealing in securities on behalf of customers. The Company is a deposit-taking company registered under the Hong Kong Banking Ordinance and licensed under the Hong Kong Securities and Futures Ordinance for dealing in securities, advising on securities and asset management activities.

With effect from 26 August 2024, the name of the Company was changed from BPI International Finance Limited to BPI Wealth Hong Kong Limited.

The Company is incorporated in Hong Kong and its registered office is 5/F, LHT Tower, 31 Queen's Road Central, Hong Kong.

### 2 Significant accounting policies

#### (a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. Significant accounting policies adopted by the Company are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Company. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Company for the current and prior accounting periods reflected in these financial statements.

#### (b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the investments in debt and equity securities are stated at their fair value as explained in the accounting policies.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## 2 Significant accounting policies (continued)

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements. Management are required to discuss about the major sources of estimation uncertainty.

### (c) Changes in accounting policies

The HKICPA has not issued any amendments to HKFRS that are first effective or available for early adoption for the current accounting period of the company.

The company has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 3 Interest income

	<i>For the six months ended 30 Jun 2024</i>	<i>For the six months ended 30 Jun 2023</i>
	HK\$'000	HK\$'000
Interest income on investments in securities	3,882	1,900
Interest income on placements with banks	4,391	3,912
Interest income from advances to customers	749	2,834
	<u>9,022</u>	<u>8,646</u>

## 4 Other operating income

	<i>For the six months ended 30 Jun 2024</i>	<i>For the six months ended 30 Jun 2023</i>
	HK\$'000	HK\$'000
Service fees and commission income	20,410	21,660
Foreign exchange (loss)/ profit, net	(253)	850
Net gain from dealing in securities	3,443	1,849
Other income	40	34
	<u>23,640</u>	<u>24,393</u>

## 5 Operating expenses

	<i>For the six months ended 30 Jun 2024</i>	<i>For the six months ended 30 Jun 2023</i>
	HK\$'000	HK\$'000
Staff costs:		
– Wages and salaries	15,491	11,400
– Pension costs - defined contribution plans	506	499
– Other benefits and allowance	1,513	1,127
Depreciation (Note 12)	2,387	2,359
Amortization of Intangible asset (Note 13)	36	36
Auditor's remuneration	607	984
Taxation fee	29	28
Telecommunication and postage	677	1,099
Other operating expenses	3,830	4,558
	<u>25,076</u>	<u>22,090</u>

Staff costs -Wages and salaries include directors' emoluments.

## 6 Income tax expense

No provision for Hong Kong Profits Tax has been made for the current and prior periods as the Company sustained a loss from previous years and the loss is carried forward to set-off against the assessable profits earned in 2024 for taxation purpose.

For the period ended 30 June 2024, the provision for Hong Kong Profits Tax was calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the period.

**7 Finance costs**

	<i>For the six months ended 30 Jun 2024 HK\$'000</i>	<i>For the six months ended 30 Jun 2023 HK\$'000</i>
Interest expenses incurred from lease liabilities	<u>49</u>	<u>85</u>

**8 Cash and short-term funds**

	<i>As at 30 Jun 2024 HK\$'000</i>	<i>As at 31 Dec 2023 HK\$'000</i>
Cash and balances with banks and other financial institutions	33,558	40,600
Placements with banks and other financial institutions maturing within one month	45,591	31,584
Credit impairment for cash and short-term funds	<u>-</u>	<u>-</u>
	<u>79,149</u>	<u>72,184</u>

**9 Placements with banks and other financial institutions maturing between one and twelve months**

	<i>As at 30 Jun 2024 HK\$'000</i>	<i>As at 31 Dec 2023 HK\$'000</i>
Placements with banks and other financial institutions		
– maturing between one and three months	112,983	103,330
– maturing between three and twelve months	-	-
Credit impairment for placements with banks and other financial institutions maturing between one and twelve months	<u>-</u>	<u>-</u>
	<u>112,983</u>	<u>103,330</u>

**10 Advances and other accounts**

	<i>As at 30 Jun 2024 HK\$'000</i>	<i>As at 31 Dec 2023 HK\$'000</i>
Advances to customers at amortised cost	21,855	22,146
Other accounts at amortised cost	22,921	14,580
	<u>44,776</u>	<u>36,726</u>
Credit impairment for		
- advances to customers	(18)	(18)
- other accounts	-	-
	<u>44,758</u>	<u>36,708</u>

**11 Financial assets designated at fair value through other comprehensive income**

	<i>As at 30 Jun 2024 HK\$'000</i>	<i>As at 31 Dec 2023 HK\$'000</i>
Financial assets designated at fair value through other comprehensive income		
- Listed outside Hong Kong and issued by banks and other financial institutions	31,791	31,753
- Listed outside Hong Kong and issued by corporate entities	1,582	1,600
- Listed outside Hong Kong and issued by central government	121,248	132,088
	<u>154,621</u>	<u>165,441</u>
Credit impairment	-	-

## 12 Fixed assets

	<i>Leasehold improvements</i> HK\$'000	<i>Furniture, fixtures and equipment</i> HK\$'000	<i>Right of use assets</i> HK\$'000	<i>Total</i> HK\$'000
At 1 January 2023				
Cost	5,361	3,935	13,381	22,677
Accumulated depreciation	(5,361)	(3,621)	(3,482)	(12,464)
Net book value	-	314	9,899	10,213
Year ended 31 December 2023				
Opening net book value	-	314	9,899	10,213
Additions	288	167	43	498
Disposal	-	(79)	-	(79)
Depreciation charge	(82)	(274)	(4,434)	(4,790)
Adjustment from lease modification	-	-	(70)	(70)
Written back on disposal	-	78	-	78
Closing net book value	206	206	5,438	5,850
At 31 December 2023 and 1 January 2024				
Cost	5,649	4,023	13,424	23,096
Accumulated depreciation	(5,443)	(3,817)	(7,986)	(17,246)
Net book value	206	206	5,438	5,850

**12 Fixed assets (continued)**

	<i>Leasehold improvements</i> HK\$'000	<i>Furniture, fixtures and equipment</i> HK\$'000	<i>Right of use assets</i> HK\$'000	<i>Total</i> HK\$'000
Period ended 30 June 2024				
Opening net book value	206	206	5,438	5,850
Additions	-	5	1	6
Disposal	-	(2)		(2)
Adjustment from lease modification	-	-		
Depreciation charge	(85)	(84)	(2,218)	(2,387)
Written back on disposal	-	1	-	1
	<hr/>	<hr/>	<hr/>	<hr/>
Closing net book value	121	126	3,221	3,468
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2024				
Cost	5,649	4,026	13,425	23,100
Accumulated depreciation	(5,528)	(3,900)	(10,204)	(19,632)
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value	121	126	3,221	3,468
	<hr/>	<hr/>	<hr/>	<hr/>



**13 Intangible Assets**

	<i>As at 30 Jun 2024 HK\$'000</i>
Cost	
Balance as at 1 January 2023	459
Acquisitions	-
	<hr/>
Balance as at 31 December 2023/1 January 2024	459
Acquisitions	-
	<hr/>
Balance as at 30 June 2024	<u>459</u>
Accumulated amortisation	
Balance as at 1 January 2023	(261)
Amortisation for the year	(72)
	<hr/>
Balance as at 31 December 2023/1 January 2024	(333)
Amortisation for the period	(36)
	<hr/>
Balance as at 30 June 2024	<u>(369)</u>
Carrying amounts	
Balance as at 1 January 2023	<u>198</u>
	<hr/>
Balance as at 31 December 2023/1 January 2024	<u>126</u>
	<hr/>
Balance as at 30 June 2024	<u>90</u>

#### 14 Lease liabilities

At 30 June 2024, the lease liabilities were repayable as follows:

	<i>As at</i> <i>30 Jun 2024</i> HK\$'000	<i>As at</i> <i>31 Dec 2023</i> HK\$'000
Within 1 year	3,379	4,716
After 1 year but within 2 years	61	1,045
After 2 years but within 5 years	-	24
	<u>3,440</u>	<u>5,785</u>

#### 15 Off-balance sheet exposures

There is no contingent liabilities and commitments as at 30 June 2024 and 31 December 2023.

#### 16 Loans to officers

As at 30 June 2024, there is no loan made to officers as pursuant to section 78 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622), with reference to section 161B of the predecessor Hong Kong Companies Ordinance (Cap. 32).

**17 Related party transactions**

Following transaction was carried out with related parties:

**(a) Transaction amount during the period with related parties:**

	<i>For the six months ended 30 Jun 2024 HK\$'000</i>	<i>For the six months ended 30 Jun 2023 HK\$'000</i>
System services fee charged by ultimate holding company	390	372
Management fee income from a fellow subsidiary	104	245
System related cost charged by ultimate holding company	-	750
	-	750

System service charge represents charges for usage of ultimate holding company's systems and various processes outsourced to BPI Global Services. Charges are fixed fee per month.

**(b) Period-end balances with related parties:**

	<i>As at 30 Jun 2024 HK\$'000</i>	<i>As at 31 Dec 2023 HK\$'000</i>
Bank balance held in ultimate holding company	1,371	6,748
Management fee income receivables from a fellow subsidiary	310	397
	1,681	7,145

The bank balance held with the ultimate holding company which is a bank in the Republic of the Philippines. The balances are unsecured and interest-bearing at commercial rate.

## 18 Note to the cash flow statement

Reconciliation of profit before taxation to net cash outflows from operating activities:

	<i>As at</i> <i>30 Jun 2024</i> HK\$'000	<i>As at</i> <i>30 Jun 2023</i> HK\$'000
Profit before taxation	3,275	6,848
Adjustments for:		
Depreciation of fixed assets	2,387	2,359
Amortisation of intangible assets	36	36
Credit impairment released	-	(123)
Finance cost	49	85
Changes in working capital:		
Increase in placements with banks and other financial institutions with original maturity over three months	3,791	3,803
(Increase)/ decrease in advances and other accounts	(8,050)	32,484
Decrease/ (increase) in financial assets designated at FVOCI	10,737	(61,869)
Increase/ (decrease) in time deposits from customers	11,302	(8,213)
Decrease in other payables	(718)	(2,778)
Cash used in operating activities	<u>22,809</u>	<u>(27,368)</u>

## 19 Immediate and ultimate holding company

The immediate and ultimate holding company is Bank of the Philippine Islands, a bank incorporated and listed in the Republic of the Philippines. This entity produces financial statements available for public use.

## 20 Income tax in the statement of financial position

### *Deferred tax assets recognised*

The components of deferred tax assets recognised in the statement of financial position and the movements during the period are as follows:

Deferred tax arising from:	<i>Tax loss</i> \$'000
At 1 January 2023	3,513
Charged to profit or loss	<u>(735)</u>
At 31 December 2023 and 1 January 2024	<u>2,778</u>
Charged/ (credited) to profit or loss	<u>-</u>
At 30 June 2024	<u>2,778</u>

## 21 Approval of financial statements

The financial statements were approved by the board of directors on

19 SEP 2024