

**BPI International Finance Limited**

**Unaudited Interim Results  
For the six months ended 30 June 2022**

<b>Contents</b>	<b>Page(s)</b>
Directors' Report	1 - 2
Statement of profit and loss and other comprehensive income (unaudited)	3
Statement of financial position (unaudited)	4
Statement of changes in equity (unaudited)	5
Statement of cash flows (unaudited)	6 - 7
Notes to the financial statements (unaudited)	8 - 19

## **Directors' Report**

The directors of BPI International Finance Limited (the "Company") are pleased to announce that the unaudited interim results of the Company's operations for the six months ended 30 June 2022.

### **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 2022 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 2022 (2021: Nil).

### **Directors of the Company**

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

Jonathan Paul Back  
Susanna Shui Shan Ng  
Ki Myung Hong  
Tomas S. Chuidian  
Jesse Ong Ang  
Sheila Marie Uriarte Tan (Resigned on 30 April 2022)

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

**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.

**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 2022 comply fully with the applicable disclosure provisions of the Banking (Disclosure) Rules.

**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.

On behalf of the Board



Jonathan Paul Back

Hong Kong

14 SEP 2022

## Statement of profit and loss and other comprehensive income for the six months ended 30 June 2022 (unaudited)

	Note	<i>For the six months ended 30 Jun 2022 HK\$'000</i>	<i>For the six months ended 30 Jun 2021 HK\$'000</i>
Interest income	3	1,726	1,465
Interest expense		<u>(326)</u>	<u>(456)</u>
Net interest income		1,400	1,009
Other operating income	4	<u>29,563</u>	<u>27,600</u>
Total operating income		30,963	28,609
Credit impairment (charged)/ release		(24)	54
Operating expenses	5	<u>(21,118)</u>	<u>(21,201)</u>
Profit from operations		9,821	7,462
Finance costs	7	<u>(35)</u>	<u>(53)</u>
Profit before taxation		9,786	7,409
Income tax	6	<u>-</u>	<u>-</u>
Profit for the period		<u>9,786</u>	<u>7,409</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>(2,137)</u>	<u>(261)</u>
<b>Total comprehensive income for the period</b>		<u>7,649</u>	<u>7,148</u>

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

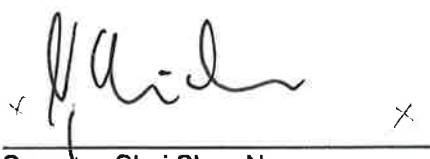
## Statement of financial position as at 30 June 2022 (unaudited)

	Note	As at 30 Jun 2022 HK\$'000	As at 31 Dec 2021 HK\$'000
<b>Assets</b>			
Cash and short-term funds	8	59,075	45,794
Placements with banks and other financial institutions maturing between one and twelve months	9	105,909	105,386
Advances and other accounts	10	131,405	121,871
Financial assets designated at fair value through other comprehensive income	11	64,269	82,504
Fixed assets	12	12,521	2,706
Intangible assets	13	234	270
Deferred tax assets	20	4,222	4,222
<b>Total assets</b>		<u>377,635</u>	<u>362,753</u>
<b>Liabilities</b>			
Time deposits from customers		202,367	201,729
Lease liabilities	14	12,678	1,463
Other payables		7,301	11,921
<b>Total liabilities</b>		<u>222,346</u>	<u>215,113</u>
<b>Equity</b>			
Share capital		75,000	75,000
Retained earnings		82,670	72,884
Investment revaluation reserve		(2,381)	(244)
		<u>155,289</u>	<u>147,640</u>
<b>Total equity and liabilities</b>		<u>377,635</u>	<u>362,753</u>

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

  
Jonathan Paul Back  
Director

14 SEP 2022

  
Susanna Shui Shan Ng  
Director

14 SEP 2022

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 2022 (unaudited)

	<i>Share capital</i> HK\$'000	<i>Investment revaluation reserve</i> HK\$'000	<i>Retained earnings</i> HK\$'000	<i>Total</i> HK\$'000
<b>At 1 January 2021</b>	75,000	792	58,130	133,922
Comprehensive income				
Profit for the year	-	-	14,754	14,754
Other comprehensive income				
Change in fair value of Financial assets designated at fair value through other comprehensive income, net of tax	-	(1,036)	-	(1,036)
Total comprehensive income for the year	-	(1,036)	14,754	13,718
<b>At 31 December 2021 and 1 January 2022</b>	75,000	(244)	72,884	147,640
Comprehensive income				
Profit for the period	-	-	9,786	9,786
Other comprehensive income				
Change in fair value of Financial assets designated at fair value through other comprehensive income, net of tax	-	(2,137)	-	(2,137)
Total comprehensive income for the period	-	(2,137)	9,786	7,649
<b>At 30 June 2022</b>	75,000	(2,381)	82,670	155,289

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 2022 (unaudited)

	Note	<i>For the six months ended 30 Jun 2022 HK\$'000</i>	<i>For the six months ended 30 Jun 2021 HK\$'000</i>
<b>Net cash outflow from operating activities before taxation</b>	18	(648)	(59,058)
Hong Kong profits tax paid		-	-
<b>Net cash outflow from operating activities after taxation</b>		(648)	(59,058)
<b>Investing activities</b>			
Purchase of Fixed assets		(94)	(61)
Purchase of Financial assets designated at fair value through other comprehensive income		(5,125)	(36,795)
Proceeds from redemption of Financial assets designated at fair value through other comprehensive income		21,137	29,524
Interest received from Financial assets designated at fair value through other comprehensive income		436	610
Purchase of intangible assets		(47)	-
<b>Net cash outflow from investing activities</b>		16,307	(6,722)
<b>Financing activities</b>			
Lease payment (principal portion)		(1,835)	(2,793)
Lease payment (interest portion)		(35)	(58)
<b>Net cash outflow from financing activities</b>		(1,870)	(2,851)



**Statement of cash flows**  
**for the six months ended 30 June 2022 (unaudited)**  
**(continued)**

	<i>Note</i>	<i>For the six months ended 30 Jun 2022 HK\$'000</i>	<i>For the six months ended 30 Jun 2021 HK\$'000</i>
<b>Increase/ (decrease) in cash and cash equivalents</b>		13,789	(68,631)
Cash and cash equivalents at 1 January		<u>151,201</u>	<u>202,627</u>
Cash and cash equivalents at 30 June		<u><u>164,990</u></u>	<u><u>133,996</u></u>
<b>Analysis of cash and cash equivalents</b>			
Balances with banks and other financial institutions	8	23,709	35,068
Placement with banks and other financial institutions with original maturity within three months		<u>141,281</u>	<u>98,928</u>
		<u><u>164,990</u></u>	<u><u>133,996</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 International Finance Limited (the "Company") 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.

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 2022</i>	<i>For the six months ended 30 Jun 2021</i>
	HK\$'000	HK\$'000
Interest income on investments in securities	348	547
Interest income on placements with banks	413	148
Interest income from advances to customers	965	770
	<u>1,726</u>	<u>1,465</u>

## 4 Other operating income

	<i>For the six months ended 30 Jun 2022</i>	<i>For the six months ended 30 Jun 2021</i>
	HK\$'000	HK\$'000
Service fees and commission income	26,378	24,859
Foreign exchange profit, net	843	183
Net gain from dealing in securities	2,074	2,543
Net gain on disposal of Available-for-sale securities	27	-
Other income	241	15
	<u>29,563</u>	<u>27,600</u>

## 5 Operating expenses

	<i>For the six months ended 30 Jun 2022 HK\$'000</i>	<i>For the six months ended 30 Jun 2021 HK\$'000</i>
Staff costs:		
- Wages and salaries	11,497	11,869
- Pension costs - defined contribution plans	513	529
- Other benefits and allowance	941	801
Depreciation (Note 12)	3,330	4,012
Amortization of Intangible asset (Note 13)	83	36
Auditor's remuneration	541	461
Taxation fee	33	27
Telecommunication and postage	800	870
Other operating expenses	3,380	2,596
	<u>21,118</u>	<u>21,201</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 in 2021 and the loss is carried forward to set-off against the assessable profits earned in 2022 for taxation purpose.

For the period ended 30 June 2022, the provision for Hong Kong Profits Tax was calculated at 16.5% (2021: 16.5%) of the estimated assessable profits for the period.

**7 Finance costs**

	<i>For the six months ended 30 Jun 2022 HK\$'000</i>	<i>For the six months ended 30 Jun 2021 HK\$'000</i>
Interest expenses incurred from lease liabilities	<u>35</u>	<u>53</u>

**8 Cash and short-term funds**

	<i>As at 30 Jun 2022 HK\$'000</i>	<i>As at 31 Dec 2021 HK\$'000</i>
Cash and balances with banks and other financial institutions	23,709	18,507
Placements with banks and other financial institutions maturing within one month	35,368	27,294
Credit impairment for cash and short-term funds	<u>(2)</u>	<u>(7)</u>
	<u>59,075</u>	<u>45,794</u>

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

	<i>As at 30 Jun 2022 HK\$'000</i>	<i>As at 31 Dec 2021 HK\$'000</i>
Placements with banks and other financial institutions		
– maturing between 1 and 3 months	105,913	105,400
– maturing between 3 and 12 months	-	-
Credit impairment for placements with banks and other financial institutions maturing between one and twelve months	<u>(4)</u>	<u>(14)</u>
	<u>105,909</u>	<u>105,386</u>

**10 Advances and other accounts**

	<i>As at 30 Jun 2022 HK\$'000</i>	<i>As at 31 Dec 2021 HK\$'000</i>
Advances to customers at amortised cost	114,331	106,330
Other accounts at amortised cost	17,252	15,678
	<u>131,583</u>	<u>122,008</u>
Credit impairment for		
- advances to customers	(178)	(137)
- other accounts	-	-
	<u>131,405</u>	<u>121,871</u>

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

	<i>As at 30 Jun 2022 HK\$'000</i>	<i>As at 31 Dec 2021 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	37,608	54,551
- Listed outside Hong Kong and issued by corporate entities	1,697	1,839
- Listed outside Hong Kong and issued by central government	24,964	26,114
	<u>64,269</u>	<u>82,504</u>
Credit impairment	<u>(1)</u>	<u>(4)</u>

## 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 2021				
Cost	5,361	3,808	16,895	26,064
Accumulated depreciation	(2,978)	(2,596)	(9,982)	(15,556)
Net book value	<u>2,383</u>	<u>1,212</u>	<u>6,913</u>	<u>10,508</u>
Year ended 31 December 2021				
Opening net book value	2,383	1,212	6,913	10,508
Additions	-	105	339	444
Disposal	-	(97)	(375)	(472)
Depreciation charge	(1,787)	(640)	(5,577)	(8,004)
Written back on disposal	-	89	141	230
Closing net book value	<u>596</u>	<u>669</u>	<u>1,441</u>	<u>2,706</u>
At 31 December 2021 and 1 January 2022				
Cost	5,361	3,816	16,859	26,036
Accumulated depreciation	(4,765)	(3,147)	(15,418)	(23,330)
Net book value	<u>596</u>	<u>669</u>	<u>1,441</u>	<u>2,706</u>

## 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 2022				
Opening net book value	596	669	1,441	2,706
Additions	-	94	13,322	13,416
Disposal	-	(4)	(16,859)	(16,863)
Depreciation charge	(596)	(291)	(2,443)	(3,330)
Written back on disposal	-	4	16,588	16,592
	<hr/>	<hr/>	<hr/>	<hr/>
Closing net book value	-	472	12,049	12,521
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 30 June 2022				
Cost	5,362	3,912	13,322	22,596
Accumulated depreciation	(5,362)	(3,440)	(1,273)	(10,075)
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value	-	472	12,049	12,521
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



**13 Intangible Assets**

	As at 30 Jun 2022 HK\$'000	As at 31 Dec 2021 HK\$'000
<b>Cost</b>		
Balance as at 1 January 2021	412	412
Acquisitions	-	-
	<u>412</u>	<u>412</u>
Balance as at 31 December 2021/1 January 2022	412	412
Acquisitions	47	-
	<u>459</u>	<u>412</u>
<b>Balance as at 30 June 2022</b>	<u><u>459</u></u>	<u><u>412</u></u>
<b>Accumulated amortisation</b>		
Balance as at 1 January 2021	(142)	(70)
Amortisation for the year	-	(72)
	<u>(142)</u>	<u>(142)</u>
Balance as at 31 December 2021/1 January 2022	(142)	(142)
Amortisation for the period	(83)	-
	<u>(225)</u>	<u>-</u>
<b>Balance as at 30 June 2022</b>	<u><u>(225)</u></u>	<u><u>-</u></u>
<b>Carrying amounts</b>		
Balance as at 1 January 2021	-	342
	<u>-</u>	<u>342</u>
Balance as at 31 December 2021/1 January 2022	270	270
	<u>270</u>	<u>270</u>
Balance as at 30 June 2022	234	-
	<u>234</u>	<u>-</u>
<b>Balance as at 30 June 2022</b>	<u><u>234</u></u>	<u><u>-</u></u>

#### 14 Lease liabilities

At 30 June 2022, the lease liabilities were repayable as follows:

	<i>As at</i> 30 Jun 2022 HK\$'000	<i>As at</i> 31 Dec 2021 HK\$'000
Within 1 year	4,588	1,235
After 1 year but within 2 years	4,635	68
After 2 years but within 5 years	3,455	160
	<u>12,678</u>	<u>1,463</u>

#### 15 Off-balance sheet exposures

Contingent liabilities and commitments

The following is a summary of the contractual amounts of each significant class of contingent liability and commitment as at respective date:

	<i>As at</i> 30 Jun 2022 HK\$'000	<i>As at</i> 31 Dec 2021 HK\$'000
Commitment		
Loan commitments with an original maturity of under 1 year or which are unconditionally cancellable without prior notice	-	-
Loan commitments with an original maturity of under 1 year	2,354	234
	<u>2,354</u>	<u>234</u>

#### 16 Loans to officers

As at 30 June 2022, 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 2022 HK\$'000</i>	<i>For the six months ended 30 Jun 2021 HK\$'000</i>
System services charge from ultimate holding company	358	337
Management and performance fee income from a fellow subsidiary	350	320
	<u>358</u>	<u>320</u>

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 2022 HK\$'000</i>	<i>As at 31 Dec 2021 HK\$'000</i>
Bank balance held in ultimate holding company	759	1,227
Management and performance fee income from a fellow subsidiary	350	2,355
	<u>759</u>	<u>1,227</u>

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/ (loss) before taxation to net cash outflows from operating activities:

	<i>As at</i> 30 Jun 2022 HK\$'000	<i>As at</i> 30 Jun 2021 HK\$'000
Profit before taxation	9,786	7,409
Adjustments for:		
Net interest income	(1,399)	(1,009)
Depreciation of fixed assets	3,330	4,012
Amortisation of intangible assets	83	36
Credit impairment charged/ (released)	24	(54)
Gain from disposal of Fixed assets	(2)	-
Finance cost	35	53
Changes in working capital:		
Decrease in placements with banks and other financial institutions with original maturity over three months	-	(51,271)
(Increase) / decrease in advances and other accounts	(8,196)	1,857
Increase/ (decrease) in time deposits from customers	311	(15,455)
Decrease in other payables	(4,620)	(4,636)
Cash used in operating activities	<u>(648)</u>	<u>(59,058)</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 year are as follows:

Deferred tax arising from:	Tax loss \$'000
At 1 January 2021	-
Credited to profit or loss	<u>4,222</u>
At 31 December 2021 and 1 January 2022	<u>4,222</u>
Charged/ (credited) to profit or loss	<u>-</u>
At 30 June 2022	<u>4,222</u>

## 21 Approval of financial statements

The financial statements were approved by the board of directors on

14 SEP 2022