

BPI Wealth Hong Kong Limited

**Banking Disclosure Statements for the quarter ended 30 June 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”, formerly known as BPI International Finance Limited), 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 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023
	Regulatory capital (amount) (HK\$ '000)					
1	Common Equity Tier 1 (CET1)	166,799	164,997	163,608	157,851	154,586
2	Tier 1	166,799	164,997	163,608	157,851	154,586
3	Total capital	167,663	165,861	164,472	158,721	155,495
	RWA (amount) (HK\$ '000)					
4	Total RWA	249,656	245,349	242,223	256,177	283,796
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	66.81%	67.25%	67.54%	61.62%	54.47%
6	Tier 1 ratio (%)	66.81%	67.25%	67.54%	61.62%	54.47%
7	Total capital ratio (%)	67.16%	67.60%	67.90%	61.96%	54.79%
	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 (%)	53.41%	53.85%	54.15%	48.21%	41.04%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure (HK\$ '000)	397,001	392,660	385,589	399,931	391,317
14	LR (%)	42.01%	42.02%	42.43%	39.47%	39.50%
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institution only:					

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		(a)	(b)	(c)	(d)	(e)
		30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023
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
	Applicable to category 2 institution only:					
17a	LMR (%)	1,053.84%	2,171.27%	1,063.49%	1,916.22%	533.30%
	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 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 decrease in the average LMR from the last quarter was mainly due to the increase in the average customer’s time deposit that falls within one month.

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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 Jun 2024 (HK\$'000)	31 Mar 2024 (HK\$'000)	30 Jun 2024 (HK\$'000)
1	Credit risk for non-securitization exposures	138,818	133,799	11,105
2	Of which STC approach	-	-	-
2a	Of which BSC approach	138,818	133,799	11,105
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 Jun 2024 (HK\$'000)	31 Mar 2024 (HK\$'000)	30 Jun 2024 (HK\$'000)
24	Operational risk	110,838	111,550	8,867
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	249,656	245,349	19,972

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

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Part IIA: Composition of Regulatory Capital

3. Table 3 - CC1: Composition of Regulatory Capital

The following table provides the breakdown of regulatory capital according to the scope of regulatory consolidation. The Company has already applied full capital deductions under the BCR. The Capital Disclosure is shown below as at 30 June 2024.

		(a)	(b)
		Amount (HK\$ '000)	Cross-reference to Table 4 numbers/letters of the balance sheet under the regulatory scope of consolidation
	CET1 capital: instruments and reserves		
1	Directly issued qualifying CET1 capital instruments plus any related share premium	75,000	[a]
2	Retained earnings	86,784	[b-d]
3	Disclosed reserves	8,639	[f-g]
4	<i>Directly issued capital subject to phase-out arrangements from CET1 (only applicable to non-joint stock companies)</i>	Not applicable	Not applicable
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	-	
6	CET1 capital before regulatory adjustments	170,423	
	CET1 capital: regulatory deductions		
7	Valuation adjustments	-	
8	Goodwill (net of associated deferred tax liabilities)	-	
9	Other intangible assets (net of associated deferred tax liabilities)	-	
10	Deferred tax assets (net of associated deferred tax liabilities)	2,778	[e]
11	Cash flow hedge reserve	-	
12	Excess of total EL amount over total eligible provisions under the IRB approach	-	
13	Credit-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitization transactions	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	-	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in CET1 capital instruments	-	
18	Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	

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		(a)	(b)
		Amount (HK\$ '000)	Cross-reference to Table 4 numbers/letters of the balance sheet under the regulatory scope of consolidation
19	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
20	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
21	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
22	Amount exceeding the 15% threshold	Not applicable	Not applicable
23	of which: significant investments in the ordinary share of financial sector entities	Not applicable	Not applicable
24	of which: mortgage servicing rights	Not applicable	Not applicable
25	of which: deferred tax assets arising from temporary differences	Not applicable	Not applicable
26	National specific regulatory adjustments applied to CET1 capital	846	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	-	
26b	Regulatory reserve for general banking risks	846	[c]
26c	Securitization exposures specified in a notice given by the MA	-	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	-	
26e	Capital shortfall of regulated non-bank subsidiaries	-	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	-	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	-	
28	Total regulatory deductions to CET1 capital	3,624	
29	CET1 capital	166,799	
	AT1 capital: instruments		
30	Qualifying AT1 capital instruments plus any related share premium	-	
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	-	
33	Capital instruments subject to phase-out arrangements from AT1 capital	-	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	-	
35	of which: AT1 capital instruments issued by subsidiaries subject to phase-out arrangements	-	
36	AT1 capital before regulatory deductions	-	
	AT1 capital: regulatory deductions		
37	Investments in own AT1 capital instruments	-	
38	Reciprocal cross-holdings in AT1 capital instruments	-	
39	Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	

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		(a)	(b)
		Amount (HK\$ '000)	Cross-reference to Table 4 numbers/letters of the balance sheet under the regulatory scope of consolidation
40	Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	
41	National specific regulatory adjustments applied to AT1 capital	-	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	-	
43	Total regulatory deductions to AT1 capital	-	
44	AT1 capital	-	
45	Tier 1 capital (T1 = CET1 + AT1)	166,799	
Tier 2 capital: instruments and provisions			
46	Qualifying Tier 2 capital instruments plus any related share premium	-	
47	Capital instruments subject to phase-out arrangements from Tier 2 capital	-	
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	-	
49	of which: capital instruments issued by subsidiaries subject to phase-out arrangements	-	
50	Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	864	[c+d]
51	Tier 2 capital before regulatory deductions	864	
Tier 2 capital: regulatory deductions			
52	Investments in own Tier 2 capital instruments	-	
53	Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities	-	
54	Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	-	
54a	Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as "section 2 institution" under §2(1) of Schedule 4F to BCR only)	-	
55	Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
55a	Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	National specific regulatory adjustments applied to Tier 2 capital	-	
56a	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	-	
56b	Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within §48(1)(g) of BCR	-	

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		(a)	(b)
		Amount (HK\$ '000)	Cross-reference to Table 4 numbers/letters of the balance sheet under the regulatory scope of consolidation
57	Total regulatory adjustments to Tier 2 capital	-	
58	Tier 2 capital (T2)	864	
59	Total regulatory capital (TC = T1 + T2)	167,663	
60	Total RWA	249,656	
Capital ratios (as a percentage of RWA)			
61	CET1 capital ratio	66.81%	
62	Tier 1 capital ratio	66.81%	
63	Total capital ratio	67.16%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	2.50%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: bank specific countercyclical capital buffer requirement	0%	
67	of which: higher loss absorbency requirement	N/A	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	53.41%	
National minima (if different from Basel 3 minimum)			
69	National CET1 minimum ratio	Not applicable	Not applicable
70	National Tier 1 minimum ratio	Not applicable	Not applicable
71	National Total capital minimum ratio	Not applicable	Not applicable
Amounts below the thresholds for deduction (before risk weighting)			
72	Insignificant LAC investments in CET1, AT1 and Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation	Not applicable	Not applicable
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	Not applicable	Not applicable
74	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
Applicable caps on the inclusion of provisions in Tier 2 capital			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA (prior to application of cap)	864	
77	Cap on inclusion of provisions in Tier 2 under the BSC approach, or the STC approach, and SEC-ERBA, SEC-SA and SEC-FBA	864	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach and SEC-IRBA (prior to application of cap)	Not applicable	Not applicable
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	Not applicable	Not applicable

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	(a)	(b)
	Amount (HK\$ '000)	Cross-reference to Table 4 numbers/letters of the balance sheet under the regulatory scope of consolidation

	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
80	Current cap on CET1 capital instruments subject to phase-out arrangements	Not applicable	Not applicable
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	Not applicable	Not applicable
82	Current cap on AT1 capital instruments subject to phase-out arrangements	Not applicable	Not applicable
83	Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)	Not applicable	Not applicable
84	Current cap on Tier 2 capital instruments subject to phase-out arrangements	Not applicable	Not applicable
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)	-	-

Notes:

Elements where a more conservative definition has been applied in the BCR relative to that set out in Basel III capital standards:

Row No.	<i>Description</i>	<i>Hong Kong basis (HK\$ '000)</i>	<i>Basel III basis (HK\$'000)</i>
10	Deferred tax assets net of deferred tax liabilities	2,778	2,778

Explanation

As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs that rely on future profitability of the bank to be realised are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III.

The amount reported under the column “Basel III basis” in this box represents the amount reported in row 10 (i.e., the amount reported under the “Hong Kong basis”) adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities and other credit exposures to connected companies) under Basel III.

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4. Table 4 – CC2: Reconciliation of Regulatory Capital to Balance Sheet

The table below shows the reconciliation of the capital components from the statement of financial position based on the regulatory scope of consolidation to the regulatory capital in Table 3.

	(a)	(b)	(c)
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Cross-referenced to definition of Capital Components
	As at 30 Jun 2024 (HK\$'000)	As at 30 Jun 2024 (HK\$'000)	
Assets			
Cash and short-term funds	79,149	79,149	
Placements with banks and other financial institutions maturing between one and twelve months	112,983	112,983	
Advances and other accounts	44,758	44,776	
Financial assets designated at fair value through other comprehensive income	154,621	154,621	
Fixed assets	3,468	3,468	
Intangible assets	90	90	
Deferred tax assets	2,778	2,778	
Total assets	397,847	397,865	
Liabilities			
Time deposits from customers	218,112	218,112	
Lease Liabilities	3,440	3,440	
Other payables	5,872	5,872	
Total liabilities	227,424	227,424	
Shareholders' equity			
Paid-in share capital	75,000	75,000	
of which: amount eligible for CET1	75,000	75,000	[a]
Retained earnings	86,784	86,802	[b]
of which: Regulatory Reserves for general banking risk	846	846	[c]
of which: Collective provisions under IFRS 9	18	18	[d]
of which: Deferred tax assets	2,778	2,778	[e]
of which: Regulatory reserve for general banking risk and collective provisions excluded from Tier 2 capital due to cap	-	-	
Capital Contribution Reserve	9,899	9,899	[f]
Accumulated other comprehensive income	(1,260)	(1,260)	[g]
of which: ECL provision on financial assets under OCI	-	-	
Total shareholders' equity	170,423	170,441	

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5. Table 5 – CCA: Main Features of Regulatory Capital Instruments

The table below describes the main features of the CET 1 instruments as at 30 June 2024.

		(a)
		Quantitative / qualitative information
1	Issuer	BPI Wealth Hong Kong Limited
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	N.A.
3	Governing law(s) of the instrument	Hong Kong
<i>Regulatory treatment</i>		
4	Transitional Basel III rules ¹	N.A.
5	Post-transitional Basel III rules ²	Common Equity Tier 1
6	Eligible at solo / group / solo and group	Solo and Group
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	HK\$ 75 million
9	Par value of instrument	N.A.
10	Accounting classification	Shareholders' equity
11	Original date of issuance	16 August 1974
12	Perpetual or dated	Perpetual
13	Original maturity date	No Maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N.A.
16	Subsequent call dates, if applicable	N.A.
<i>Coupons / dividends</i>		
17	Fixed or floating dividend / coupon	Floating
18	Coupon rate and any related index	N.A.
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step-up or other incentive to redeem	No
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N.A.
25	If convertible, fully or partially	N.A.
26	If convertible, conversion rate	N.A.
27	If convertible, mandatory or optional conversion	N.A.
28	If convertible, specify instrument type convertible into	N.A.
29	If convertible, specify issuer of instrument it converts into	N.A.
30	Write-down feature	No
31	If write-down, write-down trigger(s)	N.A.

¹ Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H to the BCR.

² Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H to the BCR.

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		(a)
		Quantitative / qualitative information
32	If write-down, full or partial	N.A.
33	If write-down, permanent or temporary	N.A.
34	If temporary write-down, description of write-up mechanism	N.A.
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	N.A.
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N.A.

This Main Features of Regulatory Capital Instruments can be found in the Company's website: www.bpi-ift.com.hk

Part IIB: Macroprudential supervisory measures

6. Table 6 – CCyB1: Geographical Distribution of Credit Exposures used in Countercyclical Capital Buffer

The table below provides the Company's countercyclical capital buffer ratio computed as the aggregate risk-weighted amount ("RWA") of geographically allocated private sector credit exposures (to the extent allocated to jurisdictions on the "ultimate risk" basis) over the sum of RWA for each geographical allocated private sector credit exposures multiplied by its appropriate JCCyB ratio.

		(a)	(c)	(d)	(e)
	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect (%)	RWA used in computation of CCyB ratio (HK\$'000)	AI-specific CCyB ratio (%)	CCyB amount
1			-		
2			-		
3			-		
N+1	Sum		-		
N+2	Total		21,855	0%	0

The Company has no credit exposure to private sectors with a non-zero countercyclical buffer ratio. N+2 column C represents the Company's RWAs for the private sector credit exposures in all jurisdictions with no countercyclical buffer rate or with countercyclical buffer rate set at zero.

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Part IIC: Leverage Ratio

7. Table 7 – LR1: Summary Comparison of Accounting Assets against Leverage Ratio Exposure Measure

The table below represents the reconciliation of the total assets in the published financial statements to the Leverage Ratio exposure measure as at 30 June 2024.

		(a)
	Item	Value under the LR framework (HK\$ '000)
1	Total consolidated assets as per published financial statements	397,847
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	-
4	Adjustments for derivative contracts	-
5	Adjustment for SFTs (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	-
6a	Adjustment for specific and collective provisions that are allowed to be excluded from exposure measure	
7	Other adjustments	(846)
8	Leverage ratio exposure measure	397,001

Other adjustments represent the regulatory reserve for general banking risk that is deducted from computing the Tier 1 capital.

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8. Table 8 – LR2: Leverage Ratio (“LR”)

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

		(a)	(b)
		(HK\$ '000)	
		30 Jun 2024	31 Mar 2024
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	397,865	393,524
2	Less: Asset amounts deducted in determining Tier 1 capital	846	846
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	397,019	392,678
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	166,799	164,997
20a	Total exposures before adjustments for specific and collective provisions	397,019	392,678
20b	Adjustments for specific and collective provisions	(18)	(18)
21	Total exposures after adjustments for specific and collective provisions	397,001	392,660
Leverage ratio			
22	Leverage ratio	42.01%	42.02%

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Part III: Credit Risk for Non-Securitization Exposures

9. Table 9 - CR1: Credit Quality of Exposures

The following table provides an overview of the credit quality of on- and off-balance sheet exposures as at 30 June 2024.

		(a)	(b)	(c)	(d)
		Gross carrying amounts of		Allowances / impairments	Net values
		Defaulted exposures	Non-defaulted exposures		
		(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
1	Loans	-	21,855	(18)	21,837
2	Debt securities	-	154,621	-	154,621
3	Off-balance sheet exposures	-	-	-	-
4	Total	-	176,476	(18)	176,458

10. Table 10 - CR2: Changes in defaulted loans and debts securities

		(a)
		Amount (HK\$'000)
1	Defaulted loans and debt securities at end of the previous reporting period	-
2	Loans and debt securities that have defaulted since the last reporting period	-
3	Returned to non-defaulted status	-
4	Amounts written off	-
5	Other changes	-
6	Defaulted loans and debt securities at end of the current reporting period	-

The Company does not have any defaulted loans and debt securities for the reporting period.

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11. Table 11 - CR3: Overview of recognised credit risk mitigation

The following table discloses the extent of credit risk exposures covered by different types of recognised CRM as at 30 June 2024.

		(a)	(b1)	(b)	(d)	(f)
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by recognised collateral	Exposures secured by recognised guarantees	Exposures secured by recognised credit derivative contracts
		(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
1	Loans	-	21,837	21,837	-	-
2	Debt securities	154,621	-	-	-	-
3	Total	154,621	21,837	21,837	-	-
4	Of which defaulted	-	-	-	-	-

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12. Table 12 - CR4: Credit risk exposures and effects of recognised credit risk mitigation (BSC approach)

The following table illustrates the effect of any recognised CRM on the calculation of capital requirements as at 30 June 2024.

		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
	Exposure classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
		(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	
1	Sovereign exposures	121,248	-	121,248	-	41,341	10.39%
2	PSE exposures	1,582	-	1,582	-	1,582	0.40%
3	Multilateral development bank exposures	-	-	-	-	-	-
4	Bank exposures	223,921	-	223,921	-	44,784	11.25%
5	Cash items	3	-	3	-	-	-
6	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	-	-	-	-	-	-
7	Residential mortgage loans	-	-	-	-	-	-
8	Other exposures	51,111	-	51,111	-	51,111	12.85%
9	Significant exposures to commercial entities	-	-	-	-	-	-
10	Total	397,865	-	397,865	-	138,818	34.89%

The Company currently does not recognize collateral in calculating risk-weighted assets; hence, the exposures pre-CRM and post-CRM are equivalent.

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13. Table 13 - CR5: Credit risk exposures by asset classes and by risk weights (BSC Approach)

The following table presents the breakdown of credit risk exposures by asset classes and by risk weights as of 30 June 2024.

Presented in HK\$'000		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Exposure class		0%	10%	20%	35%	50%	100%	250%	Others	Total credit risk exposures amount (post CCF and post CRM)
1	Sovereign exposures	-	88,786	-	-	-	32,462	-	-	121,248
2	PSE exposures	-	-	-	-	-	1,582	-	-	1,582
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-
4	Bank exposures	-	-	223,921	-	-	-	-	-	223,921
5	Cash items	3	-	-	-	-	-	-	-	3
6	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	-	-	-	-	-	-	-	-	-
7	Residential mortgage loans	-	-	-	-	-	-	-	-	-
8	Other exposures	-	-	-	-	-	51,111	-	-	51,111
9	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-
10	Total	3	88,786	223,921	-	-	85,155	-	-	397,865

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Part IV: Counterparty Credit Risk

14. Table 14 - CCR1: Analysis of counterparty default risk exposures (other than those to CCPs) by approaches

		(a)	(b)	(c)	(d)	(e)	(f)
		Replacement cost (RC)	PFE	Effective EPE	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM	RWA
		(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
1	SA-CCR (for derivative contracts)	-	-		-	-	-
1a	CEM	-	-		-	-	-
2	IMM (CCR) approach			-	-	-	-
3	Simple Approach (for SFTs)					-	-
4	Comprehensive Approach (for SFTs)					-	-
5	VaR (for SFTs)					-	-
6	Total						-

The Company has no derivative contracts and SFTs exposures for the reporting period.

15. Table 15 - CCR2: CVA capital charge

		(a)	(b)
		EAD post CRM	RWA
		(HK\$'000)	(HK\$'000)
	Netting sets for which CVA capital charge is calculated by the advanced CVA method	-	-
1	(i) VaR (after application of multiplication factor if applicable)		-
2	(ii) Stressed VaR (after application of multiplication factor if applicable)		-
3	Netting sets for which CVA capital charge is calculated by the standardized CVA method	-	-
4	Total	-	-

The Company has no exposures that are subject to CVA capital charge.

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16. Table 16 - CCR3: Counterparty default risk exposures (other than those to CCPs) by asset classes and by risk weights – for BSC approach

	Exposure class	Risk Weight								(i) Total default risk exposure after CRM
		(a) 0%	(b) 10%	(c) 20%	(ca) 35%	(d) 50%	(f) 100%	(ga) 250%	(h) Others	
1	Sovereign exposures	-	-	-	-	-	-	-	-	-
2	PSE exposures	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-
4	Bank exposures	-	-	-	-	-	-	-	-	-
5	CIS exposures	-	-	-	-	-	-	-	-	-
6	Other exposures	-	-	-	-	-	-	-	-	-
7	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-
8	Total	-	-	-	-	-	-	-	-	-

The Company has no defaulted risk exposure in respect of derivative contracts and SFT's.

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17. Table 17 - CCR5: Composition of collateral for counterparty default risk exposures

	(a)	(b)	(c)	(d)	(e)	(f)
	Derivative contracts				SFTs	
	Fair value of recognised collateral received		Fair value of posted collateral		Fair value of recognised collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash - domestic currency	-	-	-	-	-	-
Cash - other currencies	-	-	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	-	-

The Company has no collateral posted and recognised collateral received in the context of derivative contracts or SFTs.

18. Table 18 - CCR6: Credit-related derivative contracts

	(a)	(b)
	Protection bought	Protection sold
Notional amounts		
Single-name credit default swaps	-	-
Index credit default swaps	-	-
Total return swaps	-	-
Credit-related options	-	-
Other credit-related derivative contracts	-	-
Total notional amounts	-	-
Fair values		
Positive fair value (asset)	-	-
Negative fair value (liability)	-	-

The Company has no derivative contracts exposure for the reporting period.

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19. Table 19 - CCR8: Exposures to CCPs

		(a)	(b)
		Exposure after CRM	RWA
1	Exposures of the AI as clearing member or client to qualifying CCPs (total)		-
2	Default risk exposures to qualifying CCPs (excluding items disclosed in rows 7 to 10), of which:	-	-
3	(i) OTC derivative transactions	-	-
4	(ii) Exchange-traded derivative contracts	-	-
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets subject to valid cross-product netting agreements	-	-
7	Segregated initial margin	-	
8	Unsegregated initial margin	-	-
9	Funded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	Exposures of the AI as clearing member or client to non-qualifying CCPs (total)		-
12	Default risk exposures to non-qualifying CCPs (excluding items disclosed in rows 17 to 20), of which:	-	-
13	(i) OTC derivative transactions	-	-
14	(ii) Exchange-traded derivative contracts	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets subject to valid cross-product netting agreements	-	-
17	Segregated initial margin	-	-
18	Unsegregated initial margin	-	-
19	Funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

The Company has no exposure to products requiring CCP's.

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Part V: Securitization Exposures

SEC1: Securitization exposures in banking book

SEC2: Securitization exposures in trading book

SEC3: Securitization exposures in banking book and associated capital requirements – where AI acts as originator

SEC4: Securitization exposures in banking book and associated capital requirements – where AI acts as investor

The above disclosure sections do not apply to the Company for the reason that it has no securitization exposures.

Part VI: Market Risk

MR1: Market risk under STM approach

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

MR3: IMM approach values for market risk exposures

MR4: Comparison of VaR estimates with gains or losses

The above disclosure sections do not apply to the Company for the reason that it is under Basic Approach (BSC).

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Part VII: Other Disclosures

20. International Claims

International claims are on-balance sheet exposure to counterparties based on the location of the counterparties after taking into account the transfer of risk and represent the sum of cross-border claims in all currencies and local claims in foreign currencies. The table shows claims on individual countries and territories or areas, after recognised risk transfer, amounting to not less than 10% of the Company's total international claims.

	<i>Non-Bank</i>				
	<u><i>Private Sector</i></u>				
<i>30 June 2024</i>			<i>Of which:</i>	<i>Of which:</i>	
	<i>Banks</i>	<i>Official</i>	<i>Non-bank</i>	<i>non-</i>	<i>Total</i>
	<i>(HK\$'000)</i>	<i>Sector</i>	<i>financial</i>	<i>financial</i>	<i>private</i>
		<i>(HK\$'000)</i>	<i>institution</i>	<i>sector</i>	<i>(HK\$'000)</i>
			<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
1. Developed Countries					
of which Australia	5,000	-	-	-	5,000
of which United States	-	89,000	-	-	89,000
of which New Zealand	8,000	-	-	-	8,000
2. Offshore Centers					
of which Singapore	28,000	-	-	-	28,000
of which Hong Kong	172,000	-	8,000	-	180,000
3. Developing Asia and Pacific					
of which Philippines	1,000	1,000	-	36,000	38,000
of which Indonesia	-	32,000	-	-	32,000
of which South Korea	8,000	-	-	-	8,000

	<i>Non-Bank</i>				
	<u><i>Private Sector</i></u>				
<i>31 December 2023</i>			<i>Of which:</i>	<i>Of which:</i>	
	<i>Banks</i>	<i>Official</i>	<i>Non-bank</i>	<i>non-</i>	<i>Total</i>
	<i>(HK\$'000)</i>	<i>Sector</i>	<i>financial</i>	<i>financial</i>	<i>private</i>
		<i>(HK\$'000)</i>	<i>institution</i>	<i>sector</i>	<i>(HK\$'000)</i>
			<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
1. Developed Countries					
of which Australia	5,000	-	-	-	5,000
of which United States	14,000	99,000	-	-	113,000
of which New Zealand	8,000	-	-	-	8,000
2. Offshore Centers					
of which Singapore	18,000	-	-	-	18,000
of which Hong Kong	146,000	-	5,000	-	151,000
3. Developing Asia and Pacific					
of which Philippines	8,000	1,000	-	32,000	41,000
of which Indonesia	-	32,000	-	-	32,000
of which South Korea	8,000	-	-	-	8,000

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21. Sector Information

(i) By geographical areas

Information has been classified according to the location of the principal operations of the Company. All of the Company's principal operations are conducted in Hong Kong.

(ii) Advances to customers

Gross advances to customers by industry sectors

	<i>As at</i> 30 June 2024 (HK\$'000)	<i>As at</i> 31 December 2023 (HK\$'000)
Loans for use outside Hong Kong		
Individuals - others	21,855	22,146
	<u>21,855</u>	<u>22,146</u>

Gross advances to customers by geographical area

	<i>As at</i> 30 June 2024 (HK\$'000)	<i>As at</i> 31 December 2023 (HK\$'000)
Residential status of customers:		
The Philippines	21,855	22,146
	<u>21,855</u>	<u>22,146</u>

The above gross advances only include gross advances to customers. The related collective impairment maintained in regulatory reserve source from the same geographical area.

22. Overdue or rescheduled assets

There were no overdue and rescheduled loans and repossessed assets as at 30 June 2024 (2023: Nil).

23. Non-Bank Mainland China Exposures

The Company does not have non-bank mainland China exposures as at 30 June 2024 (2023: Nil).

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24. Other than functional currency concentrations

	<i>USD</i> (HK\$'000)	<i>EUR</i> (HK\$'000)	<i>GBP</i> (HK\$'000)	<i>AUD</i> (HK\$'000)	<i>PHP</i> (HK\$'000)	<i>Total</i> (HK\$'000)
Equivalent in Hong Kong dollars 30 June 2024						
Spot assets	374,625	85	70	12,982	18	387,780
Spot liabilities	(207,131)	-	-	(11,220)	(78)	(218,429)
Net long / (short) position	<u>167,494</u>	<u>85</u>	<u>70</u>	<u>1,762</u>	<u>(60)</u>	<u>169,351</u>
Net structural position		<u>-</u>				<u>-</u>
	<i>USD</i> (HK\$'000)	<i>EUR</i> (HK\$'000)	<i>GBP</i> (HK\$'000)	<i>AUD</i> (HK\$'000)	<i>PHP</i> (HK\$'000)	<i>Total</i> (HK\$'000)
Equivalent in Hong Kong dollars 31 December 2023						
Spot assets	363,352	77	62	11,021	85	374,597
Spot liabilities	(196,834)	-	-	(10,273)	(73)	(207,180)
Net long position	<u>166,518</u>	<u>77</u>	<u>62</u>	<u>748</u>	<u>12</u>	<u>167,417</u>
Net structural position		<u>-</u>				<u>-</u>