

**BPI Wealth Hong Kong Limited**

**Banking Disclosure Statements for the year ended 31 December 2025  
(Unaudited)**

# BPI WEALTH HONG KONG LIMITED

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# BPI WEALTH HONG KONG LIMITED

## 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 Standardised Measurement Approach (“SMA”) 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, Overview of Risk Management and 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)
		31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025	31 Dec 2024
	<b>Regulatory capital (amount) (HK\$'000)</b>					
1 & 1a	Common Equity Tier 1 (CET1)	179,050	177,711	175,717	173,529	170,437
2 & 2a	Tier 1	179,050	177,711	175,717	173,529	170,437
3 & 3a	Total capital	180,088	178,752	176,714	174,378	171,286
	<b>RWA (amount) (HK\$'000)</b>					
4	Total RWA	223,820	220,658	219,336	223,866	238,428
4a	Total RWA (pre-floor)	223,820	220,658	219,336	223,866	238,428
	<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>					
5 & 5a	CET1 ratio (%)	80.00%	80.54%	80.11%	77.51%	71.48%
5b	CET1 ratio (%) (pre-floor ratio)	80.00%	80.54%	80.11%	77.51%	71.48%
6 & 6a	Tier 1 ratio (%)	80.00%	80.54%	80.11%	77.51%	71.48%
6b	Tier 1 ratio (%) (pre-floor ratio)	80.00%	80.54%	80.11%	77.51%	71.48%
7 & 7a	Total capital ratio (%)	80.46%	81.01%	80.57%	77.89%	71.84%
7b	Total capital ratio (%) (pre-floor ratio)	80.46%	81.01%	80.57%	77.89%	71.84%
	<b>Additional CET1 buffer requirements (as a percentage of RWA)</b>					
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 (%)	66.71%	67.26%	66.82%	64.14%	58.09%
	<b>Basel III leverage ratio</b>					
13	Total leverage ratio (LR) exposure measure (HK\$'000)	474,241	456,406	429,564	429,072	413,710
13a	LR exposure measure based on mean values of gross assets of SFTs	-	-	-	-	-

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		(a)	(b)	(c)	(d)	(e)
		31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025	31 Dec 2024
14, 14a &14b	LR (%)	37.76%	38.94%	40.91%	40.44%	41.20%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	-	-	-	-	-
<b>Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)</b>						
	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
	Applicable to category 2 institution only:					
17a	LMR (%)	729.98%	1,943.12%	916.24%	1,402.71%	1,010.60%
<b>Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)</b>						
	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 Exposure measure was mainly due to the increase in the investment portfolio, funding of which mainly came from the increase in taking customers’ time deposits.

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.

# **BPI WEALTH HONG KONG LIMITED**

## **2. OVA: Overview of Risk Management**

### **Our Risk Management Framework**

The Company's overall business strategy is set by the Board of Directors (the "Board") and is accompanied by a clear strategic plan, business objectives and risk appetite statement. The Company's risk profile is closely monitored by its Risk Management Department through Board-approved risk metrics and risk reports and in close coordination with the business lines.

The Company has established an effective risk governance and management framework in line with the requirements set out by the HKMA and other regulators. Risk metrics are established in line with the Company's business strategy and are aligned with regulatory requirements. These are approved by the Board or by the Risk Committee (the "RC", a Board-level Committee) and are reviewed at least annually. These metrics, as well as the overall risk profile of the Company, are reported monthly to the RC.

The Company implements the three lines of defense, a framework designed to allow clear identification of roles and responsibilities, cultivating functional independence and control, strengthening communication and dialogue, and sustaining ongoing risk management activities. This framework allows the Company to proactively manage risk while remaining focused on achieving its business goals and objectives.

### **Risk Culture**

The Company recognizes the importance of strong risk culture, and this is cultivated through the various implementation of policies which align expected employee behavior with the Company's overall risk/return objectives including the code of ethics and standards of professional conduct, policies on staff dealing, conflicts of interest, self-assessments, and various Human Resources policies such as those concerning personal development and continuous professional training and development.

All policies are approved by the Board (or a Board-level committee such as the RC) and are disseminated to all employees in a timely manner. Procedures are likewise put in place for proper escalation in cases of violations and breaches, incident reporting, and internal, regulatory, and Group-wide reporting. Having well-trained and properly guided professionals promotes a strong risk culture that is reinforced and supported by the Company's senior management.

### **Risk Measurement and Reporting Systems**

The Company adheres to all applicable regulatory guidelines, both local and global, and various industry-recognized and accepted risk metrics. The Company's risk measurement systems effectively and efficiently capture the types and levels of risks inherent to the Company's business activities, both quantitatively and qualitatively. Other features include standardized risk and control categories, linkages to compliance and audit reports, and continuous monitoring processes to ensure any weaknesses are addressed. These systems are designed to cater to the Company's unique business requirements. Still, they remain aligned with the overall risk management framework of the Company's parent bank, Bank of the Philippine Islands, and its subsidiaries (the "BPI Group").

The Company promotes continuous improvement and development in its risk measurement and management systems in order to consistently produce high-quality risk analysis and information to support all decision-making processes across the board.

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## 2. Overview of Risk Management (continued)

### Stress Testing

The Company conducts regular stress testing by the Risk Management Department to complement its capital plan and risk management processes. Stress testing of the Company's capital adequacy is conducted annually during its capital planning exercise. The main objective of the exercise is to assess whether the Company has sufficient capital to cover all its material risk exposures. These assessments are conducted in line with the Company's Internal Capital Adequacy Assessment Process ("ICAAP"), also conducted annually, which includes an assessment of the materiality of the Company's Pillar 1 and Pillar 2 risk exposures.

In addition, liquidity and price stress tests are conducted quarterly to evaluate the resilience of the Company's liquidity positions, earnings, and economic value. The Company has contingency plans in place in the event of a capital or liquidity shortfall.

### 3. 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
		31 Dec 2025 (HK\$'000)	30 Sep 2025 (HK\$'000)	31 Dec 2025 (HK\$'000)
1	Credit risk for non-securitization exposures	143,020	140,908	11,442
2	Of which STC approach	-	-	-
2a	Of which BSC approach	143,020	140,908	11,442
3	Of which foundation IRB approach	-	-	-
4	Of which supervisory slotting criteria approach	-	-	-
5	Of which advanced IRB approach	-	-	-
5a	Of which retail IRB approach	-	-	-
5b	Of which specific risk-weight approach	-	-	-
6	Counterparty default risk and default fund contributions	-	-	-
7	Of which SA-CCR approach	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	N/A	N/A	N/A
12	Collective investment scheme ("CIS") exposures – look through approach/third party approach	N/A	N/A	N/A
13	CIS exposures – mandate-based approach	N/A	N/A	N/A
14	CIS exposures – fall back approach	N/A	N/A	N/A
14a	CIS exposures – combination of approaches	N/A	N/A	N/A

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		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31 Dec 2025 (HK\$'000)	30 Sep 2025 (HK\$'000)	31 Dec 2025 (HK\$'000)
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 IMA	-	-	-
22a	Of which SSTM approach	-	-	-
23	Capital charge for moving exposures between trading book and banking book	N/A	N/A	N/A
24	Operational risk	80,800	79,750	6,464
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	-	-	-
26	Output floor level applied	-	-	
27	Floor adjustment (before application of transitional cap)	-	-	
28	Floor adjustment (after application of transitional cap)	N/A	N/A	N/A
28a	Deduction to RWA	-	-	-
28b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-
28c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	-	-	-
29	Total	223,820	220,658	17,906

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

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## Part II: Linkages between financial statements and regulatory exposures

### 4. Table 3 - PV1: Prudent valuation adjustments

- Prudent value adjustments are for assets measured at fair value (marked-to-market or mark to model) and for which PVA is required. The Company has taken the concentration of covering liquidity adjustment on bonds of valuation adjustment into consideration and adjusts, if any, in accordance with the Company's valuation process. Currently, there is no valuation adjustment on the investment portfolio.
- Other elements of valuation adjustment are considered either not applicable or insignificant (if any) in the process of making valuation adjustments.

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
		Equity	Interest rates	FX	Credit	Commodities	Total	Of which: In the trading book	Of which: In the banking book
1	Close-out uncertainty, of which:	-	-	-	-	-	-	-	-
2	<i>Mid-market value</i>	-	-	-	-	-	-	-	-
3	<i>Close-out costs</i>	-	-	-	-	-	-	-	-
4	<i>Concentration</i>	-	-	-	-	-	-	-	-
5	Early termination	-	-	-	-	-	-	-	-
6	Model risk	-	-	-	-	-	-	-	-
7	Operational risks	-	-	-	-	-	-	-	-
8	Investing and funding costs								
9	Unearned credit spreads								
10	Future administrative costs	-	-	-	-	-	-	-	-
11	Other adjustments	-	-	-	-	-	-	-	-
12	<b>Total adjustments</b>	-	-	-	-	-	-	-	-

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## 5. Table 4 - LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items:				
			subject to credit risk framework	subject to counterparty credit risk framework	subject to the securitization framework	subject to market risk framework*	not subject to capital requirements or subject to deduction from capital
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Assets</b>							
Cash and short-term funds	52,827	52,883	52,883	-	-	-	2
Placement with banks and other financial institutions maturing between one and twelve months	155,840	155,955	155,955	-	-	-	-
Advances and other accounts	18,321	18,324	18,324	-	-	-	-
Financial assets designated at fair value through other comprehensive income	238,512	238,530	238,530	-	-	-	-
Fixed assets	8,902	8,902	8,902	-	-	-	-
Intangible assets	-	-	-	-	-	-	-
Deferred tax assets	685	685	685	-	-	-	-
<b>Total assets</b>	<b>475,087</b>	<b>475,279</b>	<b>475,279</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Liabilities</b>							
Time deposits from customers	278,132	278,132	-	-	-	-	278,132
Lease liabilities	8,477	8,477	-	-	-	-	8,477
Other payables	7,898	7,898	-	-	-	-	7,898
<b>Total liabilities</b>	<b>294,507</b>	<b>294,507</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>294,507</b>

The difference between the carrying values, as reported in published financial statements and under the scope of regulatory consolidation is the ECL provisions of the financial assets.

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### 6. Table 5 - LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

		(a)	(b)	(c)	(d)	(e)
		Total	Items subject to:			
			credit risk framework	securitization framework	counterparty credit risk framework	market risk framework
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
1	<b>Asset carrying value amount under scope of regulatory consolidation (as per template LI1)</b>	475,279	475,279	-	-	-
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	294,507	-	-	-	-
3	Total net amount under regulatory scope of consolidation	180,772	-	-	-	-
4	Off-balance sheet amounts-	-	-	-	-	-
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-	-
8	Differences due to prudential filters	-	-	-	-	-
	<b>Exposure amounts considered for regulatory purposes</b>	180,772	475,279	-	-	-

### 7. LIA: Explanations of differences between accounting and regulatory exposure amounts

The difference between the carrying values, as reported in published financial statements and under the scope of regulatory consolidation is the ECL provisions of the financial assets.

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## Part IIA: Composition of Regulatory Capital

### 8. Table 6 - 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 showed below as at 31 December 2025.

		(a)	(b)
		Amount (HK\$ '000)	Cross-reference to Table 4 numbers/letters of the balance sheet under the regulatory scope of consolidation
<b>CET1 capital: instruments and reserves</b>			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	75,000	[a]
2	Retained earnings	94,383	[b-d]
3	Disclosed reserves	11,197	[f+g]
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	<b>CET1 capital before regulatory adjustments</b>	180,580	
<b>CET1 capital: regulatory deductions</b>			
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)	685	[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)	-	
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

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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
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	<b>Total regulatory deductions to CET1 capital</b>	1,530	
29	<b>CET1 capital</b>	179,050	
	<b>AT1 capital: instruments</b>		
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	-	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	-	
36	<b>AT1 capital before regulatory deductions</b>	-	
	<b>AT1 capital: regulatory deductions</b>		
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)	-	
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	<b>Total regulatory deductions to AT1 capital</b>	-	
44	<b>AT1 capital</b>	-	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	179,050	
	<b>Tier 2 capital: instruments and provisions</b>		
46	Qualifying Tier 2 capital instruments plus any related share premium	-	
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)	-	
50	Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	1,038	[c+d]

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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
51	<b>Tier 2 capital before regulatory deductions</b>	1,038	
	<b>Tier 2 capital: regulatory deductions</b>		
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	-	
57	<b>Total regulatory adjustments to Tier 2 capital</b>	-	
58	<b>Tier 2 capital (T2)</b>	1,038	
59	<b>Total regulatory capital (TC = T1 + T2)</b>	180,088	
60	<b>Total RWA</b>	223,820	
	<b>Capital ratios (as a percentage of RWA)</b>		
61	<b>CET1 capital ratio</b>	80.00%	
62	<b>Tier 1 capital ratio</b>	80.00%	
63	<b>Total capital ratio</b>	80.46%	
64	<b>Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)</b>	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	<b>CET1 (as a percentage of RWA) available after meeting minimum capital requirements</b>	66.71%	
	<b>National minima (if different from Basel 3 minimum)</b>		
69	<b>National CET1 minimum ratio</b>	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
70	National Tier 1 minimum ratio	Not applicable	Not applicable
71	National Total capital minimum ratio	Not applicable	Not applicable
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
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		
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation		
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
<b>Applicable caps on the inclusion of provisions in Tier 2 capital</b>			
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)	1,038	
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	1,038	
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)		
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA		

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## 9. Table 7 – 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 6.

	( a )	( b )	( c )
	<b>Balance sheet as in published financial statements</b>	<b>Under regulatory scope of consolidation</b>	<b>Reference</b>
	As at 31 Dec 2025 (HK\$'000)	As at 31 Dec 2025 (HK\$'000)	
<b>Assets</b>			
Cash and short-term funds	52,827	52,883	
Placements with banks and other financial institutions maturing between one and twelve months	155,840	155,955	
Advances and other accounts	18,321	18,324	
Financial assets designated at fair value through other comprehensive income	238,512	238,530	
Fixed assets	8,902	8,902	
Deferred tax assets	685	685	
<b>Total assets</b>	<b>475,087</b>	<b>475,279</b>	
<b>Liabilities</b>			
Time deposits from customers	278,132	278,132	
Lease Liabilities	8,477	8,477	
Other payables	7,898	7,898	
<b>Total liabilities</b>	<b>294,507</b>	<b>294,507</b>	
<b>Shareholders' equity</b>			
Paid-in share capital	75,000	75,000	
of which: amount eligible for CET1	75,000	75,000	[a]
Retained earnings	94,383	94,575	[b]
of which: Regulatory Reserves for general banking risk	846	846	[c]
of which: Collective provisions under IFRS 9	192	192	[d]
of which: Deferred tax assets	685	685	[e]
of which: Regulatory reserve for general banking risk and collective provisions excluded from Tier 2 capital due to cap	-	-	
Capital Contribution Reserve	9,907	9,907	[f]
Accumulated other comprehensive income	1,290	1,290	[g]
of which: ECL provision on financial assets under OCI	-	18	(h)
<b>Total shareholders' equity</b>	<b>180,580</b>	<b>180,772</b>	

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## 10. Table 8 – CCA: Main Features of Regulatory Capital Instruments

The table below describes the main features of the CET 1 instruments as at 31 December 2025.

		(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 <sup>1</sup>	N.A.
5	Post-transitional Basel III rules <sup>2</sup>	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 recognized 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.
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.

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

<sup>2</sup> 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
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	N.A.
37	If yes, specify non-compliant features	N.A.

This Main Feature of Regulatory Capital Instruments can be found on the Company's website: [www.bpi.com.ph/wealth-hk](http://www.bpi.com.ph/wealth-hk)

## Part IIB: Macroprudential supervisory measures

### 11. Table 9 – 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	Hong Kong SAR	0.50%	-		
2	Mainland China	0.00%	-		
3	Philippines	0.00%	3,374		
N+1	Sum		3,374		
N+2	Total		3,374	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 a countercyclical buffer rate set at zero.

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## Part IIC: Leverage Ratio

### 12. Table 10 – 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 31 December 2025.

		(a)
	Item	Value under the LR framework (HK\$ '000)
1	Total consolidated assets as per published financial statements	475,087
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 securitised exposures that meet the operational requirements for the recognition of risk transference	-
4	Adjustments for temporary exemption of central bank reserves	Not applicable
5	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustments for eligible cash pooling transactions	-
8	Adjustments for derivative contracts	
9	Adjustment for SFTs (i.e. repos and similar secured lending)	
10	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	
11	Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from LR exposure measure	
12	Other adjustments	(846)
13	<b>Leverage ratio exposure measure</b>	<b>474,241</b>

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

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## 13. Table 11 – LR2: Leverage Ratio (“LR”)

The table below provides a detailed breakdown of the components of the Leverage ratio denominator as at 31 December 2025.

		(a)	(b)
		(HK\$ '000)	
		31 Dec 2025	30 Sep 2025
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	475,279	457,447
2	Gross-up for derivative contracts collateral provided where deducted from balance sheet assets pursuant to the applicable accounting standard	-	-
3	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	-	-
4	Less: Adjustment for securities received under SFTs that are recognised as an asset	-	-
5	Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital	192	195
6	Less: Asset amounts deducted in determining Tier 1 capital	846	846
7	<b>Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)</b>	<b>474,241</b>	<b>456,406</b>
<b>Exposures arising from derivative contracts</b>			
8	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	-
9	Add-on amounts for PFE associated with all derivative contracts	-	-
10	Less: Exempted CCP leg of client-cleared trade exposures	-	-
11	Adjusted effective notional amount of written credit-related derivative contracts	-	-
12	Less: Permitted reductions in effective notional amount and permitted deductions from add-on amounts for PFE of written credit-related derivative contracts	-	-
13	<b>Total exposures arising from derivative contracts (sum of rows 8 to 12)</b>	<b>-</b>	<b>-</b>
<b>Exposures arising from SFTs</b>			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
16	CCR exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	<b>Total exposures arising from SFTs (sum of rows 14 to 17)</b>	<b>-</b>	<b>-</b>
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposure at gross notional amount	-	-
20	Less: Adjustments for conversion to credit equivalent amounts	-	-
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	-	-
22	<b>Off-balance sheet items (sum of rows 19 to 21)</b>	<b>-</b>	<b>-</b>
<b>Capital and total exposures</b>			
23	<b>Tier 1 capital</b>	<b>179,050</b>	<b>177,711</b>
24	<b>Total exposures (sum of rows 7, 13, 18 and 22)</b>	<b>474,241</b>	<b>456,406</b>

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		(a)	(b)
		(HK\$ '000)	
		31 Dec 2025	30 Sep 2025
<b>Leverage ratio</b>			
25 & 25a	<b>Leverage ratio</b>	37.76%	38.94%
26	<b>Minimum leverage ratio requirement</b>	3.00%	3.00%
27	<b>Applicable leverage buffers</b>	N/A	N/A
<b>Disclosure of mean values</b>			
28	Mean value of gross assets of SFTs, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
29	Quarter-end value of gross amount of SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
30 & 30a	Total exposures based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	-	-
31 & 31a	Leverage ratio based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	-	-

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## Part IID: Liquidity

### 14. LIQA: Liquidity Risk Management

Liquidity risk is defined as the risk of impact on the Company's earnings or capital from its inability to meet its financial or payment obligations as they fall due or its incapability of meeting its liquidity needs without incurring significant costs or losses.

Liquidity risk is managed within the framework of policies and limits that are approved by senior management in the Asset-Liability Committee (ALCO) and are in compliance with the local regulatory standards. Senior management receive reports on risk exposure and performance against approved limits. The ALCO provides senior management oversight of liquidity risk.

Liquidity risk is measured and managed on a projected cash flow basis with daily monitoring and reporting to senior management together with regular stress testing. The Company also employs early warning indicators and trigger limits to detect earlier on any emerging liquidity risk.

The Company performs liquidity stress testing regularly, to evaluate the effect of both industry-wide and bank-specific disruptions on the Company's liquidity position. The liquidity stress tests consider the effect on changes in the market value of liquid assets. The stress testing results to be reported to senior management in ALCO for consideration in making liquidity management decisions.

The contingency plan is in place to identify potential liquidity crisis using a series of early warning indicators. The Company also maintains a certain percentage of liquid assets as a buffer against unforeseen liquidity requirements. The main objective is to honor all cash outflow commitments on an on-going basis and to satisfy the statutory liquidity requirement.

#### Liquidity position

	31 December 2025	31 December 2024
Average Liquidity Maintenance Ratio	<u>1,248.02%</u>	<u>1,529.71%</u>

The Liquidity Maintenance Ratio ("LMR") is calculated in accordance with the Banking (Liquidity) Rules effective from 1 January 2015. The average liquidity maintenance ratio is calculated based on the average value of the LMR for each calendar month, as reported in the liquidity position return submitted to the Hong Kong Monetary Authority ("HKMA").

The Company is categorized as Category 2 institution by the HKMA; thus, the following ratios do not apply: Liquidity Coverage Ratio ("LCR"), Net Stable Funding Ratio ("NSFR"), and Core Funding Ratio ("CFR").

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## 14. LIQA: Liquidity Risk Management (continued)

### Maturity analysis

The table below analyse the assets and liabilities of the Company as at 31 December 2025 into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the tables below are the approximation of the contractual undiscounted cash flows, whereas the Company manages the inherent liquidity risk based on expected undiscounted cash flows.

	2025							Total HK\$'000
	Repayable on demand HK\$'000	Up to 1month HK\$'000	1 - 3 months HK\$'000	3 - 12 months HK\$'000	1 - 5 years HK\$'000	Over 5 years HK\$'000	Undated HK\$'000	
<b>Assets</b>								
Cash and short-term funds	21,520	31,339	-	-	-	-	-	52,859
Placements with banks and other financial institutions maturing between one and twelve months	-	-	105,989	51,380	-	-	-	157,369
Advances and other accounts	-	5,394	10,205	1,403	34	-	1,307	18,343
Financial assets designated at fair value through other comprehensive income	-	28,045	27,707	95,613	80,700	17,162	-	249,227
Fixed assets	-	-	-	-	-	-	8,902	8,902
Deferred tax assets	-	-	-	-	-	-	685	685
<b>Total assets</b>	<b>21,520</b>	<b>64,778</b>	<b>143,901</b>	<b>148,396</b>	<b>80,734</b>	<b>17,162</b>	<b>10,894</b>	<b>487,385</b>
<b>Liabilities</b>								
Time deposits from customers	-	28,951	120,016	131,239	-	-	-	280,206
Lease liabilities	-	400	289	3,605	4,575	-	-	8,869
Other payables	-	718	5,030	703	-	-	1,447	7,898
<b>Total liabilities</b>	<b>-</b>	<b>30,069</b>	<b>125,335</b>	<b>135,547</b>	<b>4,575</b>	<b>-</b>	<b>1,447</b>	<b>296,973</b>
<b>Net liquidity gap</b>	<b>21,520</b>	<b>34,709</b>	<b>18,566</b>	<b>12,849</b>	<b>76,159</b>	<b>17,162</b>	<b>9,447</b>	<b>190,412</b>

## Part III: Credit Risk for Non-securitization exposures

### 15. CRA: General information about credit risk

#### Overview

The Company's current business model emphasizes a conservative approach in managing credit risk as reflected in (i) zero past due/non-performing loans and default rates in recent history, (ii) the maintenance of the Company's accounts and placements predominantly with authorized financial institutions prudently supervised by the Hong Kong Monetary Authority, and (iii) Company investments in debt securities concentrated in the higher credit quality bands with exposures diversified across banks, non-bank financial institutions, corporates, and sovereign entities.

The Company's credit risk management framework is aligned with (i) the prescribed regulatory requirements, including but not limited to the Hong Kong Banking Ordinance and related regulations, as well as the HKMA's Supervisory Policy Manuals, (ii) the credit risk management framework of its parent bank, Bank of the Philippine Islands, and (iii) the Company's risk appetite statement, set by its Board of Directors and reviewed annually.

In its credit risk management framework, the Company takes into consideration prescriptive limits such as limitations on advances (e.g., single borrower's limits), limitations on aggregate advances to directors and other connected parties, limitations on advances to employees, limitations on aggregate holdings and exposures to directors and other connected parties, share capital of other companies, and interests in land in or outside of Hong Kong, the Company's level of regulatory reserves, and its internal targets and regulatory limits for CET1, Tier 1 and capital ratios, loan-to-collateral ratios, and country/sovereign risk limits.

Credit exposures involving short term loans and facilities granted to the Company's clients undergo a standardized process involving information gathering, borrower evaluation, loan approval, and on-going monitoring.

The performance of all client loans and facilities is monitored daily and reported to the Board periodically. Collateral values are likewise evaluated regularly to ensure the underlying collateral remains sufficient to cover any outstanding obligation.

#### Credit Risk Management

The overarching objectives of the Company's credit risk management function are:

- To facilitate the proper evaluation and management of risk exposures to achieve risk-adjusted returns on capital consistent with the Company's objectives.
- To establish identifiable procedures/uniform mechanisms to properly assess the Company's risk-taking activities.
- To integrate marketing, policy formulation, and risk limits monitoring into a matrix of complementary responsibilities. The Board of Directors ("Board") sets the Company's credit policies and risk appetite and ensures its credit risk strategy remains appropriate to the Company's business model, the current operating environment and stage of the economic cycle and supported by adequate levels of capital and allocated resources. The credit strategy is annually reviewed and incorporated into the Company's annual capital plan.

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## **15.CRA: General information about credit risk - Credit Risk Management (continued)**

The Office of the Chief Executive is responsible for the overall implementation of the Board's credit strategies. It is responsible for ensuring that the necessary credit-related policies and procedures are established to carry out the business. It likewise acts through the authority delegated by the Board to approve credit risk exposures acceptable to the Company's credit standards. Beyond these standards, approval must be sought from the Board. The credit process requires an annual review for any outstanding loan or facility granted, or more frequently as may be required given any unforeseen credit event.

To ensure that the BPI Group's total credit exposures remain within the appropriate limits, client loans and facilities proposed on the Company level are routed to the relevant BPI Group Credit Committee for aggregation and endorsement and subsequently presented to the Company's Office of the Chief Executive for final approval. All approved client loans and facilities are presented to the Board of Directors for information.

The Company's Risk Management Department structure works as an independent function, in conjunction with the parent's risk management department to maintain its alignment and consistency with the overall credit strategy of the BPI Group. Credit limits for certain portfolios such as those managed by the Company's Treasury department covering sovereigns, supra-nationals, banks, and non-bank financial institutions and some corporate credits are approved centrally with BPI but confirmed at the Company's Board level. This credit system allows for credit risk aggregation at the BPI Group level but permits independence and cascades the responsibility to the operating business unit (e.g., the Company) for proper evaluation prior to taking the actual credit exposure. Similar to loans and advances granted by the Company, the credit limits for these portfolios are evaluated annually at the BPI Group level and likewise reviewed and confirmed at least annually at the Company level.

As with the overall risk governance structure, the Company employs the three lines of defense in the management of credit risk. The first line is responsible for evaluating new and existing credit exposures and the overall quality of the relevant portfolios. Controls are in place to ensure sufficient checks and balances govern the activities of the business units extending credit. Backroom functions are responsible for these controls by Operations department such as (i) the overall administration of the Company's credit portfolio, including checking credit approval, handling loan disbursements, maintenance of credit files, and compilation of relevant management information reports, (ii) the valuation of collateral, execution of hold-out and lien on assets, and preparation of relevant reports, and (iii) loan documentation.

The second line of defense involves the independent oversight of the Risk Management Department. The credit risk profile is regularly reported to the RC or the Board, as necessary.

The third line of defense is the independent internal audit function, responsible for the independent assessment of the adequacy and reliability of the credit risk measures set in place.

Reports on credit risk exposures cover all regulatory and internal limits and are monitored by the Risk Management Department. Breaches in limits are escalated to senior management and the RC.

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## 16. Table 12 - CR1: Credit Quality of Exposures

The following table provides an overview of the credit quality of on- and off-balance sheet exposures as at 31 December 2025.

		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amounts of		Allowances / Impairments	Of which ECL accounting provisions for credit losses on STC approach exposures		Of which ECL accounting provisions for credit losses on IRB approach exposures	Net values (a+b-c)
		Defaulted exposures	Non-defaulted Exposures		Allocated in regulatory category of specific provisions	Allocated in regulatory category of collective provisions		
		(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
1	Loans	-	3,374	(3)	-	-	-	3,371
2	Debt securities	-	238,530	(18)	-	-	-	238,512
3	Off-balance sheet exposures	-	-	-	-	-	-	-
4	<b>Total</b>	-	<b>241,904</b>	<b>(21)</b>	-	-	-	<b>241,883</b>

## 17. Table 13 - CR2: Changes in defaulted loans and debts securities

		(a)
		Amount (HK\$'000)
1	<b>Defaulted loans and debt securities at end of the previous reporting period</b>	-
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	<b>Defaulted loans and debt securities at end of the current reporting period</b>	-

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

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## 18.CRB: Additional disclosure related to credit quality of exposures

The Company classifies the loans and advances in accordance with the loan classification system for the reporting to HKMA. The Company adopts the impairment classification of 3 stages allocations under HKFRS9.

Pass	Borrower is current in meeting commitments
Special Mention	The borrower exhibits potential weaknesses that, if not corrected in a timely manner, may adversely affect future repayments and warrant close attention
Substandard	The borrower exhibits potential weaknesses that may adversely affect future repayments and warrant close attention
Doubtful	Collection in full is improbable and the lender expects to sustain a loss
Loss	Uncollectible after exhausting all collection efforts

For impairment purposes, the Company measure impairment allowances for 12-month or lifetime expected credit losses (“ECL”) using 3 stage approach as follows.

- Stage 1: consists of an asset with no significant increase in credit risk since initial booking (12 – month ECL)
- Stage 2: consists of assets that have evidence of a significant increase in credit risk since initial booking but do not have objective evidence of impairment (lifetime ECL)
- Stage 3: consists of assets that have shown objective evidence of impairment at the reporting date. (Lifetime ECL)

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt financial assets carried at FVOCI are credit impaired.

The financial asset is considered credit-impaired when, based on observable data, one or more events have occurred and have a significant impact on the expected future cash flows of the financial asset. These events may include the following:

- Significant financial difficulty of the issuer or borrower
- A breach of contract, such as a default or past-due event
- The lenders, for economic or contractual reasons relating to the borrower’s financial difficulty, granted the borrower a concession that would not otherwise be considered
- It becomes probable that the borrower will enter bankruptcy or other financial reorganization
- The disappearance of an active market for financial assets because of financial difficulties, or
- The purchase or origination of a financial asset at a deep discount that reflects incurred credit losses.

There is no past due for the Loans and advances as at 31 December 2025, and all client loans are fully collateralized. The Company has made ECL provision for loans and advances to the customers at the amount of HK\$2,951.77 as at 31 December 2025.

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## CRB: Additional disclosure related to credit quality of exposures (continued)

### 1. Exposures by Geographic Location

Table 1: Credit Exposures as at end-December 2025, grouped by geographic location

Country	Gross Carrying Amounts in HK\$ Mn
1 USA	134
2 Australia	79
3 Japan	36
4 Singapore	35
5 Malaysia	35
6 South Korea	32
7 Indonesia	32
8 Germany	25
9 Republic of the Philippines	22
10 Mainland China	12
11 *Others	9
<b>Total</b>	<b>451</b>

\*Segments constituting less than 10% of the Company's total Credit Risk-Weighted Assets are aggregated as "Others."

### 2. Exposures by Industry

Table 2: Credit Exposures as at end-December 2025, grouped by industry

Industry	Gross Carrying Amounts in HK\$ Mn
1 Financial Institutions	271
2 Sovereigns	177
3 Miscellaneous - for private purposes	3
<b>Total</b>	<b>451</b>

### 3. Exposures by Maturity

Table 3: Credit Exposures as at end-December 2025, grouped by maturity

Maturity	Gross Carrying Amounts in HK\$ Mn
1 Less than one year	360
2 One to five years	75
3 Over five years	16
<b>4 Total</b>	<b>451</b>

# BPI WEALTH HONG KONG LIMITED

## 19.CRC: Qualitative disclosures related to credit risk mitigation

The Company, when granting credit facilities, is to do so on the basis of capacity to repay, financial strength, and repayment ability. Credit risk may be mitigated by obtaining collateral from the customer.

The Company currently does not have netting arrangements as it does not engage in derivative or securities financing transactions (“SFTs”). For its loan exposures, the Company utilizes standardized loan documentation that governs the Company’s rights to the collateral and includes the right to set off or the realization of the collateral to repay the outstanding obligation should the client default on their obligations.

For credit risk mitigation, the Company’s client loan portfolio is supported by the use of two types of financial assets, namely a) debt securities held under the client’s securities account maintained with the Company, and/or b) time deposits placed by clients with the Company.

Marketable securities held as collateral are marked-to-market daily. Loan-to-collateral ratios for each approved loan line are calculated and monitored daily to ensure that the collateral holds sufficient value to provide an alternative source of loan repayment should a loan become impaired. The Company applies safe custodian of collaterals; regular re-valuation parameters are subject to periodic reviews to ensure their effectiveness over credit risk management.

Loans that are collateralized by time deposits are tagged in the system as under hold-out and time deposits are automatically rolled over as long as the client’s loan facility remains outstanding.

## 20. Table 14 - CR3: Overview of recognized credit risk mitigation

The following table discloses the extent of credit risk exposures covered by different types of recognized CRM as at 31 December 2025.

		(a)	(b)	(c)	(d)	(e)
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by recognized collateral	Exposures secured by recognized guarantees	Exposures secured by recognized credit derivative contracts
		(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
1	Loans	-	3,374	3,374	-	-
2	Debt securities	238,530	-	-	-	-
<b>3</b>	<b>Total</b>	238,530	3,374	3,374	-	-
4	Of which defaulted	-	-	-	-	-

# BPI WEALTH HONG KONG LIMITED

## 21. Table 15 - CR4: Credit risk exposures and effects of recognized credit risk mitigation (BSC approach)

The following table illustrates the effect of any recognized CRM on the calculation of capital requirements as at 31 December 2025.

		(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	144,590	-	144,590	-	54,559	11.48%
2	Public sector entity exposures	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-
4	Unspecified multilateral body exposures	-	-	-	-	-	-
5	Bank exposures	302,759	-	302,759	-	60,551	12.74%
6	Eligible covered bond exposures	-	-	-	-	-	-
7	Exposures arising from IPO financing	-	-	-	-	-	-
8	Real estate exposures	-	-	-	-	-	-
8a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-	-	-	-	-
8b	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)	-	-	-	-	-	-
8c	Of which: other real estate exposures	-	-	-	-	-	-
9	Equity exposures	-	-	-	-	-	-
10	Significant capital investments in commercial entities	-	-	-	-	-	-

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11	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	-	-	-	-	-	-
12	Subordinated debts issued by banks and corporates	-	-	-	-	-	-
13	Cash and gold	2	-	2	-	-	-
14	Items in the process of clearing or settlement	-	-	-	-	-	-
15	Other exposures	27,910	-	27,910	-	27,910	5.87%
<b>16</b>	<b>Total</b>	<b>475,261</b>	<b>-</b>	<b>475,261</b>	<b>-</b>	<b>143,020</b>	<b>30.09%</b>

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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## 22. Table 16 - 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 31 December 2025.

1		0%	10%	20%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)
	Sovereign exposures	-	100,035	-	44,555	-	144,590
2		20%		100%		Other	Total credit exposure amount (post-CCF and post-CRM)
	Public sector entity exposures	-		-		-	-
3		0%		Other		Total credit exposure amount (post-CCF and post-CRM)	
	Multilateral development bank exposures	-		-		-	-
4		50%		Other		Total credit exposure amount (post-CCF and post-CRM)	
	Unspecified multilateral body exposures	-		-		-	-
5		20%	100%		Other	Total credit exposure amount (post-CCF and post-CRM)	
	Bank exposures	302,759	-		-	302,759	
6		10%		50%		Other	Total credit exposure amount (post-CCF and post-CRM)
	Eligible covered bond exposures	-		-		-	-

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		0%	Other	Total credit exposure amount (post-CCF and post-CRM)
7	Exposures arising from IPO financing	-	-	-

		40%	50%	70%	100%	120%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
8	Real estate exposures								
8a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-		-			-	-
8b	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)		-	-		-		-	-
8c	Of which: other real estate exposures						-	-	-

		250%	400%	Other	Total credit exposure amount (post-CCF and post-CRM)
9	Equity exposures	-	-	-	-

		250%	400%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
10	Significant capital investments in commercial entities	-	-	-	-	-

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		150%	250%	400%	Other	Total credit exposure amount (post-CCF and post-CRM)
11	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	-	-	-	-	-

		150%		Other	Total credit exposure amount (post CCF and post-CRM)
12	Subordinated debts issued by banks and corporates	-	-	-	-

		0%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)
13	Cash and gold	2	-	-	2

		0%	20%	Other	Total credit exposure amount (post-CCF and post-CRM)
14	Items in the process of clearing or settlement	-	-	-	-

		100%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
15	Other exposures	27,910	-	-	27,910

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Exposure amounts and CCFs applied to off-balance sheet exposures, categorized based on risk bucket of converted exposures (BSC version)

	Risk Weight#	(a)	(b)	(c)	(d)
		On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF*	Exposure (post-CCF and post-CRM)
1	Less than 40%	402,796	-	-	402,796
2	40-70%	-	-	-	-
3	100%-120%	72,465	-	-	72,465
4	150%	-	-	-	-
5	250%	-	-	-	-
6	400%	-	-	-	-
7	1,250%	-	-	-	-
8	<b>Total exposures</b>	475,261	-	-	475,261

# BPI WEALTH HONG KONG LIMITED

## Part IV: Counterparty Credit Risk

### 23. CCRA: Qualitative disclosures related to counterparty credit risk (including those arising from clearing through CCPs)

Counterparty credit risk is defined by the Banking (Capital) Rules as counterparty default risk and credit valuation adjustment (“CVA”) risk. Counterparty default risk is, in relation to a derivative contract or a securities financing transaction (“SFT”) entered with a counterparty, is the risk that the counterparty could default before the final settlement of the cash flows of the contract or transaction. On the other hand, credit valuation adjustment is the adjustment made to the valuation of a netting set with a counterparty to reflect the market value of the credit risk of that counterparty. Hence, CVA risk is the risk of marked-to-market losses in the transaction arising from a change in the CVA for the counterparty. The wrong way risk is defined here as the risk that arises when the exposure to a counterparty is positively correlated with the probability of default of the counterparty due to the nature of the transactions with the counterparty.

As at 31 December 2025, the Company does not engage in derivatives, securities financing transactions, nor enter any bilateral netting arrangements for counterparty exposures, hence does not incur counterparty credit risk exposures and wrong way risks. Given its current business model, there are no internal capital limits, no collaterals pledged, no governing policies relating to guarantees and other forms of credit risk mitigation for counterparty credit risk, credit exposures to central counterparties (“CCPs”) and wrong way risks.

### 24. Table 17 - 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 ( $\alpha$ ) 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)	-	-		1.4	-	-
1a	CEM	-	-		1.4	-	-
2	IMM (CCR) approach			-	-	-	-
3	Simple Approach (for SFTs)					-	-
4	Comprehensive Approach (for SFTs)					-	-
5	VaR (for SFTs)					-	-
6	<b>Total</b>						-

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

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**25. Table 18 - 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%	(d) 50%	(f) 100%	(h) Others	
1	Sovereign exposures	-	-	-	-	-	-	-
2	PSE exposures	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-
4	Unspecified multilateral body exposures	-	-	-	-	-	-	-
5	Bank exposures	-	-	-	-	-	-	-
6	Other exposures	-	-	-	-	-	-	-
7	<b>Total</b>	-	-	-	-	-	-	-

The Company has no default risk exposures in respect of derivative contracts and SFT's.

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**26. Table 19 - CCR5: Composition of collateral for counterparty default risk exposures**

	(a)	(b)	(c)	(d)	(e)	(f)
	Derivative contracts				SFTs	
	Fair value of recognized collateral received		Fair value of posted collateral		Fair value of recognized collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash - domestic currency <sup>1</sup>	-	-	-	-	-	-
Cash - other currencies	-	-	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

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

**27. Table 20 - CCR6: Credit-related derivative contracts**

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

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

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**28. Table 21 - CCR8: Exposures to CCPs**

		(a)	(b)
		Exposure after CRM	RWA
<b>1</b>	<b>Exposures of the AI as clearing member or client to qualifying CCPs (total)</b>		-
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	-	-
<b>11</b>	<b>Exposures of the AI as clearing member or client to non-qualifying CCPs (total)</b>		-
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.

## Part IVA : Credit valuation adjustment risk

CVAA: Qualitative disclosures related to CVA risk

CVA1: CVA risk under reduced basic CVA approach

CVA2: CVA risk under full basic CVA approach

CVAB: Additional qualitative disclosures for AI using standardized CVA approach

CVA3: CVA risk under standardized CVA approach

CVA4: RWA flow statements of CVA risk exposures under standardized CVA approach

**The above disclosure sections are not applicable to the Company because it has no exposure to derivative products and therefore is not subject to CVA risk capital charges.**

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## **Part V: Securitization Exposures**

SECA: Qualitative disclosures related to 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**

MRA: Qualitative disclosures related to market risk

MR1: Market risk under STM approach

MRB: Additional qualitative disclosures for AI using IMA

MR2: Market Risk under IMA

MR3: Market Risk under SSTM approach.

**The above disclosure sections do not apply to the Company for the reason that it is exempt from computing market risk.**

## Part VII: Interest Rate Risk in Banking Book

### 29. IRRBBA: Interest rate risk in banking book- risk management objectives and policies

The Company defines Interest Rate Risk in Banking Book (“IRRBB”) as the current or prospective risk to its capital and earnings arising from adverse movements in interest rates that affect the Company's banking book positions. This, in turn, changes the underlying value of the Company's assets, liabilities, and off-balance sheet items, and ultimately its economic value.

The Company has established an IRRBB risk governance framework. The Board exercise oversight and approves the Company's IRRBB management framework and strategies as well as ensures the interest rate risk is in line with the risk appetite. The Board level Risk Management Committee (“RMC”) oversee the Company's interest rate risk management department, set the strategy and policy for managing interest rate risk. RMC assists the Board in overseeing the practices of IRRBB management framework, reviewing the procedures and major policies.

The Management level Asset and Liability Management Committee (“Management Level ALCO”) assists the Office of the Chief Executive and the Board in conducting firm-wide asset/liabilities management including policy formulation, liquidity and managing interest rate risk on the Banking Book. The functions of the ALCO are to approve the balance sheet structure and investment portfolio structure and off-balance sheet management strategies and submit to the Committee's review and Board's approval. The Management Level Risk Management Committee assists the Board Level Risk Committee to monitor and manage IRRBB. It is responsible for designing the IRRBB management framework and drafting relevant policies, reviewing risk limits, monitoring the interest rate risk limit set by Board and reviewing stress-testing results for IRRBB.

Interest rate risk is daily managed by different business units. The activities of business units and interest rate limits are monitored on a regular basis. Actions will be taken to mitigate any potential risks. Interest rate risk reporting and regulatory return results are submitted to HKMA quarterly. To further ensure the integrity, accuracy, and reasonableness of the interest rate risk measurement system, independent review from internal and/or external auditors are carried out regularly to evaluate the effectiveness of the Company's internal control system. All identified audit issues are discussed with senior management and responded to mitigate the gaps.

The Company adopts the standardized calculation methodologies in measuring interest rate risk exposure on the Economic Values of shareholders' Equity (“EVE”) and Net Interest Income (“NII”), based on the Hong Kong Monetary Authority Supervisory Policy Manual IR-1 Interest Rate Risk in Banking Book.

To measure the impacts on EVE in stressed market conditions, stress testing is conducted through the six prescribed interest rate shock scenarios under different currencies defined by the Basel Committee. Descriptions are shown as follows:

- (i) Parallel shock up: Yield curve constantly parallel shifts up
- (ii) Parallel shock down: Yield curve constantly parallel shifts down
- (iii) Steepener shock: Short-term interest rates decrease while long-term interest rates increase
- (iv) Flattener shock: Short-term interest rates increase while long-term interest rates decrease
- (v) Short rates shock up: Interest rate shock up is the greatest at the shortest time band and diminishes towards current rates in the longer time band
- (vi) Short rates shock down: Interest rate shock down is the greatest at the shortest time band and diminishes towards current rates in the longer time band

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### 29. IRRBBA: Interest rate risk in banking book- risk management objectives and policies (continued)

The impacts on the NII over the next 12 months are assessed through the parallel shock up and parallel shock down scenarios. The Company utilizes the same assumption for regulatory reporting and internal monitoring. As of 31 December 2025, there are no significant changes compared with the previous disclosure.

### 30. Table 22- IRRBB1: Quantitative information on interest rate risk in banking book

This table provides information on the change in EVE and the change in net interest income (“NII”) over the next 12 months in respect of the date indicated in the table below under each of the prescribed interest rate shock scenario in respect of the Company’s interest rate exposures arising from banking book positions for the current annual reporting date as at 31 December 2025.

(In HKD million)		(a)	(b)	(c)	(d)
		<b>ΔEVE</b>		<b>ΔNII</b>	
	<b>Period</b>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
1	Parallel up	5	3	0	0
2	Parallel down	0	0	0	0
3	Steepener	0	0		
4	Flattener	0	2		
5	Short rate up	3	3		
6	Short rate down	0	0		
7	<b>Maximum</b>	5	3	0	0
	<b>Period</b>	<b>31 Dec 2025</b>		<b>31 Dec 2024</b>	
8	<b>Tier 1 capital</b>	179		170	

### 31. Climate Risk

As a financial institution, an investor and an employer, the Company recognizes its economic environmental and social responsibility to help its clients on the road to mitigate climate risk. The Company needs to support with increased, robust disclosures, risk management and metrics to track and communicate its progress, aligned to the Financial Stability Board’s Task Force on Climate-Related Financial Disclosures (“TCFD”) recommendations. The Company will continue to engage and work closely with its customers, investors, regulators and wider industry to improve its collective climate reporting and help smooth the transition to a low-carbon economy.

# BPI WEALTH HONG KONG LIMITED

## Part VIII: Remuneration

### 32. REMA: Remuneration Policy

The Company has established a Remuneration Policy, which governs the setup of a Board Level Remuneration Committee and formulates the principles of remuneration for its staff. The Remuneration Policy of the Company promotes an overall scheme of remuneration that matches the Company's business objectives, risk tolerance, and risk management framework.

The Company has complied with the requirement set out in Part 3 (disclosure on remuneration) of the Supervisory Policy Manual CG-5 entitled "Guideline on a Sound Remuneration System" issued by the Hong Kong Monetary Authority in all material aspects.

Below are some relevant Policies:

- Governance

The Remuneration Committee is a BPI Wealth Hong Kong Board level committee that reviews and approves BPI Wealth's Hong Kong remuneration policy. The consistent continuing implementation of the policy shall be the responsibility of the Board and the local human resources personnel. An annual review of the policy shall be conducted and passed upon by the Board to ensure compliance with the guidelines.

- Remuneration Structures

Besides monthly fixed pay, employee may be entitled to a variable compensation, which depends on the performance of the Company, team, and individual employee.

- Performance Measurement

Employee Performance Appraisee (EPA) process is conducted annually. Individual employee's goal and performance objective for next year should be set at the beginning of a year and to be agreed with his/her manager. Under the EPA process, employees are required to set, with the approval of their managers, their objectives and expected deliverables (which are quantifiable) for the coming year. The EPA is a base to evaluate the performance of each employee for the previous year.

### Senior Management and Key personnel

Senior management is defined as those people responsible for oversight of the Company's firm-wide strategy, activities, or material business lines. This includes the Chief Executive, the Chief Financial Officer, Executive Officer(s), Head of Risk, Legal, Compliance, Operations, Information Technology, Execution and Product & Relationship Management, and those Managers registered under HKMA.

Key personnel are employees whose duties or activities in the course of their employment involve the assumption of taking material risk on behalf of the Company. There were 15 members of senior management and key personnel in 2025.

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## 33. Table 23 - REM1: Remuneration awarded during financial year

Due to the sensitivity of the information as the Company is composed of 36 employees, the figures shown below are the aggregate remuneration of the Senior Management and key personnel as at 31 December 2025.

Remuneration amount and quantitative information			(a)/(b)	(a)/(b)
			2025 Senior management/ Key personnel	2024 Senior management/ Key personnel
			HK\$	HK\$
1	Fixed remuneration	Number of employees	15	13
2		Total fixed remuneration	12,954,070	13,445,772
3		Of which: cash-based	12,954,070	13,445,772
4		Of which: deferred		-
5		Of which: shares or other share-linked instruments		-
6		Of which: deferred		-
7		Of which: other forms		-
8		Of which: deferred		-
9	Variable remuneration	Number of employees	15	13
10		Total variable remuneration	2,799,139	2,520,286
11		Of which: cash-based	2,799,139	2,520,286
12		Of which: deferred		-
13		Of which: shares or other share-linked instruments		-
14		Of which: deferred		-
15		Of which: other forms		-
16		Of which: deferred		-
<b>17</b>	<b>Total remuneration</b>		<b>15,753,209</b>	<b>15,966,058</b>

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## 34. Table 24 - REM2: Special payments

		(a)	(b)	(c)	(d)	(e)	(f)
Special payments		Guaranteed bonuses		Sign-on awards		Severance payments	
		Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount
1	Senior management	-	-	-	-	-	-
2	Key personnel	-	-	-	-	-	-

The Company has no special payments for 2025.

## 35. Table 25 - REM3: Deferred remuneration

		(a)	(b)	(c)	(d)	(e)
Deferred and retained remuneration		Total amount of outstanding deferred remuneration	Of which: Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment	Total amount of amendment during the year due to ex post explicit adjustments	Total amount of amendment during the year due to ex post implicit adjustments	Total amount of deferred remuneration paid out in the financial year
1	Senior management					
2	Cash	-	-	-	-	-
3	Shares	-	-	-	-	-
4	Cash-linked instruments	-	-	-	-	-
5	Other	-	-	-	-	-
6	Key personnel	-	-	-	-	-
7	Cash	-	-	-	-	-
8	Shares	-	-	-	-	-
9	Cash-linked instruments	-	-	-	-	-
10	Other	-	-	-	-	-
<b>11</b>	<b>Total</b>	-	-	-	-	-

The Company has no deferred remuneration for 2025.

# BPI WEALTH HONG KONG LIMITED

## Part IX: Operational Risk

### 36. ORA: General Information on Operational Risk Framework

The Operational Risk Management Framework (ORMF) establishes the structure, policies, and processes through which BPI Wealth HK identifies, manages, and controls risks associated with its business activities. This framework is aligned with the Company's strategic objectives and risk appetite and requires active engagement across multiple organizational components, each with clearly defined responsibilities.

To mitigate operational risks, the Company implements robust governance processes supported by technology and an incident escalation protocol. Monitoring tools such as Key Risk Indicators (KRIs) and Risk and Control Self-Assessments (RCSAs), together with the Operational Risk Incident Reporting Process, enable effective risk oversight and timely escalation.

Additionally, BPI Wealth HK maintains a comprehensive Business Continuity Plan (BCP) designed to ensure efficient recovery and continuity of operations in the event of disruptive incidents. The BCP reflects the nature, scale, and complexity of the Company's activities and is tested periodically through drills to validate resilience under stressed conditions.

### 37. Table 26 - OR1: Historical Losses

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
		31 Dec 2025	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016	Average
<b>Using HKD200,000 threshold</b>												
1	Total amount of operational losses net of recoveries (no exclusions)	991	-	-	-	-	-	-	-	-	-	991
2	Total number of operational risk losses	1	-	-	-	-	-	-	-	-	-	1
3	Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	-	-	-
4	Total number of exclusions	-	-	-	-	-	-	-	-	-	-	-
5	Total amount of operational losses net of recoveries and net of excluded losses	991	-	-	-	-	-	-	-	-	-	991
<b>Using HKD1 million threshold</b>												

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6	Total amount of operational losses net of recoveries (no exclusions)	-	-	-	-	-	-	-	-	-	-	-
7	Total number of operational risk losses	-	-	-	-	-	-	-	-	-	-	-
8	Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	-	-	-
9	Total number of exclusions	-	-	-	-	-	-	-	-	-	-	-
10	Total amount of operational losses net of recoveries and net of excluded losses	-	-	-	-	-	-	-	-	-	-	-
<b>Details of operational risk capital charge calculation</b>												
11	Are losses used to calculate the ILM (yes/no)?	No										
12	If “no” in row 11, is the exclusion of internal loss data due to non-compliance with the minimum loss data standards (yes/no)?	Yes										
13	Loss event threshold: HKD200,000 or HKD 1 million for the operational risk capital charge calculation if applicable	HKD 200,000										

The Company maintained high-quality operational loss data for 8 years only. It falls under BI bucket 1, where the ILM is equal to 1.

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### 38. Table 27- OR2: Business Indicator and Business Indicator Components breakdown

The table below shows the Business Indicator (BI) and its components breakdown as at 31 Dec 2025.

		(a)	(b)	(c)
	BI and its subcomponents	31 Dec 2025	31 Dec 2024	31Dec 2023
1	Interest, leases and dividend component	4,710		
1a	Interest and leases income	16,521	18,238	17,307
1b	Interest and leases expenses	11,870	13,288	12,778
1c	Interest earning assets	407,562	373,875	351,710
1d	Dividend income	-	-	-
2	Services component	48,371		
2a	Fee and commission income	47,673	48,683	47,939
2b	Fee and commission expenses	1,625	1,648	1,314
2c	Other operating income	32	43	25
2d	Other operating expenses	1,108	68	188
3	Financial component	787		
3a	Net P&L on trading book	-	-	-
3b	Net P&L on banking book	466	(1,435)	459
4	BI	53,868		
5	Business indicator component (BIC)	6,464		

#### Disclosure on the BI:

		(a)
6a	BI gross of excluded divested businesses and activities	-
6b	Reduction in BI due to excluded divested businesses and activities	-

### 39. Table 28- OR3: Minimum Operational Risk Capital Requirement

The table below is the Operational risk requirement of the Company as at 31 Dec 2025.

		(a)
1	Business indicator component (BIC)	6,464
2	Internal loss multiplier (ILM)	1
3	Minimum operational risk capital requirement	6,464
4	Total RWA for operational risk	80,800

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## Part X: Comparison of modelled and standardized RWAs

CMS1: Comparison of modelled and standardized RWAs at risk level

CMS2: Comparison of modelled and standardized RWAs for credit risk at exposure class level

**The above disclosure sections do not apply to the Company for the reason that it uses BSC approach and it is exempt from computing the market risk.**

## Part XI: Asset Encumbrance

### 40. Table 29 – ENC: Asset Encumbrance

The table below represents the carrying amount of encumbered and unencumbered assets as at 31 Dec 2025.

	(a)	(c)	(d)
	<b>Encumbered assets</b>	<b>Unencumbered assets</b> <b>HK\$'000</b>	<b>Total</b> <b>HK\$'000</b>
Financial Assets	-	447,179	447,179
Loans and Advances	-	18,321	18,321
Non- Financial Assets	-	9,587	9,587

The Company has no encumbered assets for the reporting period.

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## Part XII: Other Disclosures

### 41. International Claims

International claims are an 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 recognized 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>31 December 2025</i>	<i>Banks</i>	<i>Official</i>	<i>Of which:</i>		<i>Other</i>	<i>Total</i>
	HK\$'000	Sector	<i>Non-bank</i>	<i>financial</i>	HK\$'000	HK\$'000
		HK\$'000	<i>institution</i>	<i>private</i>		
			HK\$'000	sector		
				HK\$'000		
All Jurisdictions						
of which Australia	42,000	-	-	-	-	42,000
of which United States	-	100,000	-	-	-	100,000
of which New Zealand	8,000	-	-	-	-	8,000
of which Singapore	49,000	-	5,000	-	-	54,000
of which Hong Kong	165,000	-	-	-	-	165,000
of which Philippines	5,000	13,000	-	9,000	-	27,000
of which Indonesia	-	32,000	-	-	-	32,000
of which South Korea	32,000	-	-	-	-	32,000
of which Jersey	-	-	2,000	-	-	2,000

	<i>Non-Bank</i>					
	<u><i>Private Sector</i></u>					
<i>31 December 2024</i>	<i>Banks</i>	<i>Official</i>	<i>Of which:</i>		<i>Other</i>	<i>Total</i>
	HK\$'000	Sector	<i>Non-bank</i>	<i>financial</i>	HK\$'000	HK\$'000
		HK\$'000	<i>institution</i>	<i>private</i>		
			HK\$'000	sector		
				HK\$'000		
All Jurisdictions						
of which Australia	5,000	-	-	-	-	5,000
of which United States	1,000	100,000	-	-	-	101,000
of which New Zealand	8,000	-	-	-	-	8,000
of which Singapore	38,000	-	-	-	-	38,000
of which Hong Kong	173,000	-	8,000	-	-	181,000
of which Philippines	2,000	12,000	-	15,000	-	29,000
of which Indonesia	-	32,000	-	-	-	32,000
of which South Korea	16,000	-	-	-	-	16,000

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## 42. 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> 31 Dec 2025 HK\$'000	<i>As at</i> 31 Dec 2024 HK\$'000
Loans for use outside Hong Kong		
Individuals - others	3,374	3,373
	<u>3,374</u>	<u>3,373</u>

Gross advances to customers by geographical area

	<i>As at</i> 31 Dec 2025 HK\$'000	<i>As at</i> 31 Dec 2024 HK\$'000
Residential status of customers:		
The Philippines	3,374	3,373
	<u>3,374</u>	<u>3,373</u>

The above-gross advances only include gross advances to customers less collective impairment. The related general provisions are maintained in regulatory reserve sources from the same geographical area.

## 43. Overdue or rescheduled assets

There were no overdue and rescheduled loans and repossessed assets as at 31 December 2025 (2024: Nil).

## 44. Non-Bank Mainland China Exposures

The Company does not have non-bank mainland China exposures as at 31 December 2025 (2024: Nil).

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## 45. 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						
31 December 2025						
Spot assets	452,240	110	109	10,237	21	462,717
Spot liabilities	(270,071)	-	-	(8,125)	(54)	(278,250)
Net long position	<u>182,169</u>	<u>110</u>	<u>109</u>	<u>2,112</u>	<u>(33)</u>	<u>184,467</u>
Net structural position		<u>-</u>				<u>-</u>
Equivalent in Hong Kong dollars						
31 December 2024						
Spot assets	397,893	77	76	10,312	40	408,398
Spot liabilities	(224,231)	-	-	(8,552)	(156)	(232,939)
Net long position	<u>173,662</u>	<u>77</u>	<u>76</u>	<u>1,760</u>	<u>(116)</u>	<u>175,459</u>
Net structural position		<u>-</u>				<u>-</u>

## 46. Corporate Governance

The Company has fully complied with the requirements set out in the guideline on “Corporate Governance of Locally Incorporated Authorized Institutions” issued by HKMA.

### Board of Directors

The Board of Directors is ultimately responsible for the operations and the financial soundness of the Company. The ultimate goal is to meet its overall responsibility to all its shareholders, depositors, creditors, employees, and other stakeholders. The responsibilities include the following:

- (a) Ensure competent management
  - Appoint Chief Executive with integrity, technical competence, and experience in the banking business enabling him/her to administer the Company’s affairs effectively and prudently.
  - Oversee the appointment of other senior executives such as the division heads.
  - Approve the management succession policy of the Company.
  - Effectively supervise senior management’s performance on an ongoing basis.

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## 46. Corporate Governance (continued)

- (b) Approve objectives, strategies and business plans
- The Company shall establish its objectives and draw up a business strategy for achieving them.
  - Consistent with the Company's objectives, business plans should be established to direct the on-going activities of the Company.
  - The Board of Directors shall approve these objectives, strategy, and business plans, and ensure that performance against the plan is regularly reviewed.
  - The Board of Directors shall approve annual budgets and review performance against these budgets.
- (c) Ensure that the operations of the Company are conducted prudently, and within the framework of applicable laws and policies
- The Board of Directors shall ensure that the internal control systems of the Company are effective and that the Company's operations are properly controlled and comply with policies approved by the Board as well as with laws and regulations.
  - The Board of Directors are ultimately responsible for ensuring that the Company complies with laws and regulations, particularly the Hong Kong Banking Ordinance.
- (d) Ensure and monitor that the Company conducts its affairs with a high degree of integrity
- The Board of Directors shall ensure that the Company observes a high standard of integrity in its dealings with the public.
  - Particular case shall be taken to comply with laws and regulations of statutory bodies to ensure the Company conducts its affairs with a high degree of integrity.
  - The Board of Directors shall ensure that the Company's remuneration policy is consistent with its ethical values, objectives, strategies, and control environment.
  - The Board of Directors shall approve a set of ethical values that are communicated throughout the Company, such as the code of conduct.
  - The Board of Directors shall establish policies and procedures to ensure compliance with ethical values.

# BPI WEALTH HONG KONG LIMITED

## 46. Corporate Governance (continued)

The Company has established three Board level committees: the Audit Committee, the Risk Committee, and the Remuneration Committee.

### **Audit Committee**

The Committee is accountable to the Board and:

- provides independent monitoring, review, and supervision of the effectiveness and adequacy of the internal control systems of the Company, including its financial reporting controls and information technology security; and
- reinforces the work of internal and external auditors.

The Committee shall provide oversight over the:

- Financial reporting, systems of internal controls, risk management and governance process of the Company;
- Internal auditors and external auditors; and
- Quality of compliance with the Company's corporate governance policies and applicable laws, rules, and regulations.

### **Risk Committee**

The Risk Committee is a stand-alone committee that is separate and distinct from the Company's Audit Committee.

The Committee shall provide advice to and assist the Board in fulfilling its responsibility of overseeing the Company's risk management framework, which include risk governance and the Company's risk appetite framework.

The responsibilities of the Committee include, among other things:

- a) Understanding the overall risk profile of the Company and ensuring that the risks assumed by the company are properly managed;
- b) Creating a strong risk culture throughout the Company and ensure that the Company's risk appetite is well enshrined within the culture;
- c) Develop an organization and management structure with a sound control environment, adequate segregation of duties and clear accountability and lines of authority;
- d) Evaluating at least annually the risks faced by the Company, and maintaining continually awareness of the Company's business and risk profiles and changes in the operating environment and financial markets that may give rise to emerging risks;
- e) Ensuring that the necessary infrastructure, systems, and controls are developed and maintained to support effective risk management and governance; and
- f) Setting up controls to ensure the integrity of the Company's overall risk management process and to monitor the Company's compliance with all applicable laws, regulations, supervisory standards, best practices, and internal policies and guidelines;

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## 46. Corporate Governance (continued)

### Remuneration Committee

The Committee provides advice to and assists the Board in discharging its responsibility for the design and operation of the Company's remuneration system and makes recommendations in respect of remuneration policy and practices to the Board.

The Committee makes recommendations on the formulation and implementation of a written remuneration policy for the Company.

### Other Specialized Committees

At the management level, there are six committees: Asset and Liability Committee (commonly referred to as "ALCO"), management level Risk Management Committee (commonly referred to as "RMC"), Anti-Money Laundering Counter Financing of Terrorism ("AML CFT"), IT Steering Committee ("ITSC"), Credit Committee ("CC") and Asset Management Investment Committee ("IC").

#### Assets and Liability Committee

Asset and Liability Committee (the "Committee", "ALCO"), a senior management level committee tasked to look after the soundness of the Company's financial position. The function includes overseeing the Company asset and liabilities management such as interest rate and gap risk, liquidity and funding risk, market risk, and to ensure that the Company has adequate funds to meet its obligations as they may fall due and generate appropriate returns on its assets.

The purpose and scope of the Committee includes: 1) Managing and implementing the Company's balance sheet strategies including amongst others, liquidity, capital, liabilities, loans and investment portfolio targets, in order to achieve the Company's approved financial budget within given risk parameters; 2) Planning, directing and controlling the levels, mix, volume and spreads on the Company's various balance sheet and off balance sheet accounts; 3) Overseeing the activities of the Company's Treasury department and ensuring that all relevant activities are performed within risk limits; 4) Reviewing market developments, the Company's financial performance, risk and compliance issues and other matters which may affect the assets and liabilities management decision; 5) Propose internal risk control limits like trigger on LMR, Early Warning Indicators etc.; 6) Reviewing parameters for monthly Liquidity Stress Test and table the results for approval. The parameters are to be reviewed periodically; and 7) Assess the adequacy of liquid assets held by the Company, in terms of quality and quantity, in relation to both expected (cash flow forecast) and unexpected events.

The Committee generally meets monthly, with additional meetings convened by any member of the Committee as the need arises. Meetings of the Committee are open to all Board Members and guests invited by the Committee. The Committee may request any officer or employee of the Company, outside counsels, external auditors, or consultants to attend a meeting or to meet with any members of the Committee.

#### Management Level Risk Management Committee

The Management Level Risk Management Committee ("RMC") is established by the Board of Directors (the "Board") of the Company and shall have overall responsibility at the management level for establishing a strategic approach to risk management and the coordination of risk management activities on a day-to-day basis.

The Scope of the Committee is responsible for the oversight of and advice to the Board Level Risk Management Committee and to the Board on high-level risk related matters and risk governance, with the framework of the Company's policies, its terms of reference and such other directives as the Board may determine from time to time, including:

## 46. Corporate Governance (continued)

- a) Review, advise and recommend for RMC and the Board's approval the overall risk tolerance, risk appetite and risk management strategy of the Company;
- b) Be responsible for ensuring the effective operation of the risk management framework in relation to all major risk exposures including but not limited to credit risk, market risk, operational risk, interest rate risk, liquidity risk, legal, regulatory and compliance risk, strategic risk, reputational risk, technology risk (including information security risk, cyber security risk and e-banking risk) and any other material risks to which the Company may be exposed to from time to time;
- c) Oversee and analyze the risk exposures, adequacy and effectiveness of the overall risk management framework in identifying, measuring, monitoring and controlling risk of the Company;
- d) Formulate a strategy in relation to the infrastructure, resources and systems for risk management;
- e) Perform stress test and sensitivity analysis for the exposure portfolio;
- f) Monitor and review both Parent Bank and Regulatory required limits;
- g) Oversee the implementation of a sound Business Continuity Plan (BCP) and its annual exercise.

### Anti-Money Laundering and Counter Financing of Terrorism Committee

The Anti-Money Laundering and Counter Financing of Terrorism Committee (AML/CFT Committee) is responsible for the consistent and effective implementation of AML/CFT guidelines and is responsible for conducting a regular risk analysis and ensuring that AML/CFT systems are capable of addressing the risks identified.

The committee meets every month to oversee, manage, evaluate, and approve the standards of the suspicious transaction to ensure the appropriate actions are observed.

### IT Steering Committee

The IT Steering Committee ("ITSC"), a senior management level committee task to provide direction on IT strategies that is aligned with the Company's business objective, the IT strategies of the BPI Group as well as the requirements of the relevant regulatory authorities and the Group standards. It should also provide advice to and assist the Board in discharging its responsibility in the management of all IT related matters.

Furthermore, the scope of work of ITSC shall include but not limited to:

- a) Identify strategic IT initiatives and define project priorities based on their strategic value to the Company's business;
- b) Ensure alignment of the IT strategic plan with the Company's business strategy and the Group's IT strategy as well as relevant regulatory requirements and Group standards;
- c) Ensure IT resources are efficiently and effectively deployed to achieve business objectives;
- d) Ensure effective IT risk management is implemented;

# BPI WEALTH HONG KONG LIMITED

## 46. Corporate Governance (continued)

- e) Provide oversight into all IT related matters including but not limited to IT project status, IT related financials, IT operations, IT risk management, IT audit, system availability and monitoring of the outsourced services; and
- f) Review IT policies at least on an annual basis.

The Committee generally meets once every 4 months (at least 3 times per year), with additional meetings convened by any member of the Committee as the need arises. Meetings of the Committee are open to all board Members and guests invited by the Committee where necessary.

### Credit Committee

The Credit Committee is set up to assess, review, approve and monitor any credit or credit related products and credit facilities to ensure compliance with Wealth Hong Kong regulatory obligations, internal and group policies and procedures and risk parameters.

### Asset Management Investment Committee

The Committee meets monthly and otherwise as required to provide an oversight of the asset management activities of the Company.

The Committee shall discuss the macro-economic outlook, market trends and specific industry developments relevant to the portfolios or funds managed by the Company, review, challenge and approve (as appropriate) investment strategy framework and allocation proposals or any other relevant issues in relation to the asset management activities.