

**BPI INTERNATIONAL FINANCE LIMITED**

**Unaudited Interim Results  
For the six months period ended 30 June 2019**

## **BPI INTERNATIONAL FINANCE LIMITED**

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# **BPI INTERNATIONAL FINANCE LIMITED**

## **Directors' Report**

The directors of BPI International Finance Limited (the "Company") are pleased to announce that the unaudited interim results of the Company's operations for the six months period ended 30 June 2019.

### **Principal activities**

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

### **Results and appropriations**

The results of the Company for the period ended 30 June 2019 are set out in the statement of profit and loss and other comprehensive income on page 3.

The directors do not recommend the payment of interim dividend (2018: Nil).

### **Directors of the Company**

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

Archie Lin  
Ma. Carmencita S. Bustamante  
Tomas S. Chuidian  
Jonathan Paul Back  
Ki Myung Hong

In accordance with Article 85 of the Company's Articles of Association, all directors retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

## **BPI INTERNATIONAL FINANCE LIMITED**

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

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

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

### **Management contracts**

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

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

The Company is required to comply with the Banking (Disclosure) Rules. The Banking (Disclosure) Rules set out the minimum standards for public disclosure which authorized institutions must make in respect of the statement of profit and loss and other comprehensive, its state of affairs and capital adequacy. The financial statements for the six month period ended 30 June 2019 comply fully with the applicable disclosure provisions of the Banking (Disclosure) Rules.

### **Permitted indemnity provisions**

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

On behalf of the Board

A handwritten signature in black ink, appearing to be 'Tomas S. Chuidian', written over a horizontal line.

Tomas S. Chuidian , Chairman

Hong Kong

19 SEP 2019

## BPI INTERNATIONAL FINANCE LIMITED

### Statement of profit and loss and other comprehensive income (unaudited)

	Note	<i>For the six months period ended 30 Jun 2019 HK\$'000</i>	<i>For the six months period ended 30 Jun 2018 HK\$'000</i>
Interest income	3	5,136	3,825
Interest expense		<u>(1,482)</u>	<u>(1,146)</u>
Net interest income		3,654	2,679
Other operating income	4	<u>9,728</u>	<u>10,761</u>
Total operating income		13,382	13,440
Credit impairment		632	(695)
Operating expenses	5	<u>(26,707)</u>	<u>(12,824)</u>
Loss before taxation		(12,693)	(79)
Income tax expense	6	<u>-</u>	<u>-</u>
Loss for the period		<u>(12,693)</u>	<u>(79)</u>
<b>Other comprehensive income/ (loss):</b>			
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of Financial assets designated at fair value through other comprehensive income, net of tax		<u>584</u>	<u>(604)</u>
<b>Total comprehensive loss for the period</b>		<u>(12,109)</u>	<u>(683)</u>

The notes on pages 8 to 17 are an integral part of these financial statements.

## BPI INTERNATIONAL FINANCE LIMITED

### Statement of financial position (unaudited)

	Note	As at 30 Jun 2019 HK\$'000	As at 31 Dec 2018 HK\$'000
<b>Assets</b>			
Cash and short-term funds	7	136,085	142,594
Placements with banks and other financial institutions maturing between one and twelve months	8	177,668	173,163
Financial assets designated at amortised cost	9	19,428	19,285
Advances and other accounts	10	26,893	51,274
Financial assets designated at fair value through other comprehensive income	11	46,764	69,911
Fixed assets	13	15,937	224
Total assets		<u>422,775</u>	<u>456,451</u>
<b>Liabilities</b>			
Time deposits from customers		254,269	288,016
Other payables		15,874	3,694
Total liabilities		<u>270,143</u>	<u>291,710</u>
<b>Equity</b>			
Share capital		75,000	75,000
Retained earnings		77,487	90,180
Investment revaluation reserve		145	(439)
		<u>152,632</u>	<u>164,741</u>
Total equity and liabilities		<u>422,775</u>	<u>456,451</u>

The financial statements on pages 3 to 17 were approved by the Board of Directors on and were signed on its behalf.

Tomas S. Chuidian

Director

19 SEP 2019

Archie Lijn

Director

19 SEP 2019

The notes on pages 8 to 17 are an integral part of these financial statements.

## BPI INTERNATIONAL FINANCE LIMITED

### Statement of changes in equity (unaudited)

	<i>Share capital</i> HK\$'000	<i>Investment revaluation reserve</i> HK\$'000	<i>Retained earnings</i> HK\$'000	<i>Total</i> HK\$'000
<b>At 1 January 2018</b>	75,000	(149)	82,796	157,647
Comprehensive income				
Profit for the year	-	-	26,984	26,984
Dividend distribution	-	-	(19,600)	(19,600)
Other comprehensive income				
Change in fair value of Financial assets designated at fair value through other comprehensive income, net of tax	-	(290)	-	(290)
Total comprehensive income for the year	-	(290)	7,384	7,094
<b>At 31 December 2018 and 1 January 2019</b>	75,000	(439)	90,180	164,741
Comprehensive Loss				
Loss for the period	-	-	(12,693)	(12,693)
Other comprehensive income				
Change in fair value of Financial assets designated at fair value through other comprehensive income, net of tax	-	584	-	584
Total comprehensive loss for the period	-	584	(12,693)	(12,109)
<b>At 30 June 2019</b>	75,000	145	77,487	152,632

The notes on pages 8 to 17 are an integral part of these financial statements.

## BPI INTERNATIONAL FINANCE LIMITED

### Statement of cash flows (unaudited)

	Note	For the six months period ended 30 Jun 2019 \$'000	For the six months period ended 30 Jun 2018 \$'000
<b>Net cash (outflow)/ inflow from operating activities before taxation</b>	18	<u>(4,542)</u>	<u>17,611</u>
Net Hong Kong profits tax paid		<u>-</u>	<u>-</u>
<b>Net cash (outflow)/ inflow from operating activities after taxation</b>		<u>(4,542)</u>	<u>17,611</u>
<b>Investing activities</b>			
Purchase of Fixed Assets		(17,625)	(68)
Purchase of Financial assets designated at fair value through other comprehensive income		(28,880)	-
Proceeds from redemption of Financial assets designated at fair value through other comprehensive income		51,551	21,944
Proceeds from redemption of Financial assets designated at amortised cost		-	7,847
Interest received from Financial assets designated at amortised cost		146	-
Interest received from Financial assets designated at fair value through other comprehensive income		2,008	-
<b>Net cash inflow from investing activities</b>		<u>7,200</u>	<u>29,723</u>
<b>Financing activities</b>			
Principal elements of lease payments		(937)	-
<b>Net cash outflow from financing activities</b>		<u>(937)</u>	<u>-</u>



## BPI INTERNATIONAL FINANCE LIMITED

### Statement of cash flows (unaudited) (continued)

	<i>For the six months period ended</i>	<i>For the six months period ended</i>
<i>Note</i>	<i>30 Jun 2019 \$'000</i>	<i>30 Jun 2018 \$'000</i>
<b>Increase in cash and cash equivalents</b>	1,721	47,334
<b>Cash and cash equivalents at 1 January</b>	<u>258,036</u>	<u>259,445</u>
<b>Cash and cash equivalents at 30 June</b>	<u><u>259,757</u></u>	<u><u>306,779</u></u>
<b>Analysis of cash and cash equivalents</b>		
Balances with banks and other financial institutions	7 48,849	65,982
Placement with banks and other financial institutions with original maturity within three months	<u>210,908</u>	<u>240,797</u>
	<u><u>259,757</u></u>	<u><u>306,779</u></u>

The notes on pages 8 to 17 are an integral part of these financial statements.

# BPI INTERNATIONAL FINANCE LIMITED

## Notes to the financial statements

### 1 General information

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

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

### 2 Significant accounting policies

#### (a) *Statement of compliance*

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

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

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

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

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

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

## BPI INTERNATIONAL FINANCE LIMITED

### 2 Significant accounting policies (continued)

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

#### (c) *Changes in accounting policies*

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Company. Of these, the following developments are relevant to the Company's financial statements:

- HKFRS 16, Leases and
- HK(FRIC) 23, Uncertainty over Income Tax Treatments

##### (i) HKFRS 16, Leases

On 1 January 2019, the Company adopted HKFRS 16 Leases, HKFRS 16 replaces HKAS17, Leases.

HKFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The significant judgements in the implementation were determining if a contract contained a lease, and the determination of whether the Company is reasonably certain that it will exercise extension options present in lease contracts. The significant estimates were the determination of incremental borrowing rates in the respective economic environments. The weighted average discount rate applied to lease liabilities was 2.0 per cent.

The impact of HKFRS 16 on the Company is primarily where the Company is a lessee in property lease contracts. The Company has elected to adopt the simplified approach of transition and has not restated comparative information. At the date of application, the Company recognised a lease liability over office space, being the remaining lease payments, including extensions options where renewal is reasonably certain, discounted using the Company's incremental borrowing rate at the date of initial application in the economic environment of the lease. The corresponding right-of-use asset recognised is the amount of the lease liability adjusted by prepaid or accrued lease payments related to those leases. The balance sheet increase as a result of recognition of the lease liability and right-of-use asset as at 30 June 2019 was approximately HK\$11 million, with no adjustment to retained earnings. The asset is presented in 'Fixed Assets' and the liability is presented in 'Other payables'.

##### (ii) HK(FRIC) 23, Uncertainty over Income Tax Treatments

HK(FRIC) 23 was adopted by the Company on 1 January 2019. It clarifies the accounting for uncertainties in income taxes and did not result in a material impact to the Company's interim report.

## BPI INTERNATIONAL FINANCE LIMITED

### 3 Interest income

	<i>For the six months period ended 30 Jun 2019 HK\$'000</i>	<i>For the six months period ended 30 Jun 2018 HK\$'000</i>
Interest income on investments in securities	1,046	1,255
Interest income on placements with banks	3,593	2,130
Interest income from advances to customers	497	440
	<u>5,136</u>	<u>3,825</u>

### 4 Other operating income

	<i>For the six months period ended 30 Jun 2019 HK\$'000</i>	<i>For the six months period ended 30 Jun 2018 HK\$'000</i>
Service fees and commission income	8,770	8,184
Foreign exchange (losses)/ gains	(485)	461
Net gain from dealing in securities	1,443	2,116
	<u>9,728</u>	<u>10,761</u>

### 5 Operating expenses

	<i>For the six months period ended 30 Jun 2019 HK\$'000</i>	<i>For the six months period ended 30 Jun 2018 HK\$'000</i>
Staff costs:		
– Wages and salaries	13,267	6,609
– Pension costs - defined contribution plans	419	204
– Other benefits and allowance	1,551	1,430
Rental of premises	2,106	2,023
Depreciation (Note 13)	1,912	101
Auditor's remuneration	536	418
Telecommunication and postage	1,075	502
Other operating expenses	5,841	1,537
	<u>26,707</u>	<u>12,824</u>

Staff costs -Wages and salaries include directors' emoluments.

## BPI INTERNATIONAL FINANCE LIMITED

### 6 Income tax expense

Hong Kong profits tax has been calculated at the rate of 16.5% (2018: 16.5%) on the estimated assessable profit for the period.

There were no income tax payable as at 30 June 2019. (30 June 2018: Nil)

### 7 Cash and short-term funds

	<i>As at</i> 30 Jun 2019 HK\$'000	<i>As at</i> 31 Dec 2018 HK\$'000
Cash and balances with banks and other financial institutions	48,849	56,904
Placements with banks and other financial institutions maturing within one month	87,236	85,906
Credit impairment for cash and short-term funds	-	(216)
	<u>136,085</u>	<u>142,594</u>

### 8 Placements with banks and other financial institutions maturing between one and twelve months

	<i>As at</i> 30 Jun 2019 HK\$'000	<i>As at</i> 31 Dec 2018 HK\$'000
Placements with banks and other financial institutions – maturing between 1 and 3 months	177,668	173,388
Credit impairment for placements with banks and other financial institutions maturing between one and twelve months	-	(225)
	<u>177,668</u>	<u>173,163</u>

## BPI INTERNATIONAL FINANCE LIMITED

### 9 Financial assets designated at amortised cost

	<i>As at</i> <i>30 Jun 2019</i> HK\$'000	<i>As at</i> <i>31 Dec 2018</i> HK\$'000
Financial assets designated at amortised cost		
- Listed outside Hong Kong and issued by banks and other financial institutions	3,992	4,017
- Unlisted outside Hong Kong and issued by central government	15,436	15,285
Credit impairment for financial assets designated at amortised cost	-	(17)
	<u>19,428</u>	<u>19,285</u>
Fair value of listed securities	<u>19,401</u>	<u>19,223</u>
	<u>19,401</u>	<u>19,223</u>

### 10 Advances and other accounts

	<i>As at</i> <i>30 Jun 2019</i> HK\$'000	<i>As at</i> <i>31 Dec 2018</i> HK\$'000
Advances to customers	17,274	43,407
Other accounts	9,619	7,867
	<u>26,893</u>	<u>51,274</u>

## BPI INTERNATIONAL FINANCE LIMITED

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

	<i>As at</i> <i>30 Jun 2019</i> HK\$'000	<i>As at</i> <i>31 Dec 2018</i> HK\$'000
Financial assets designated at fair value through other comprehensive income		
- Listed outside Hong Kong and issued by banks and other financial institutions	21,758	42,443
- Listed inside Hong Kong and issued by banks and other financial institutions	3,966	11,074
- Listed outside Hong Kong and issued by corporate entities	1,924	1,850
- Listed outside Hong Kong and issued by central government	19,116	14,544
	<u>46,764</u>	<u>69,911</u>

### 12 Subsidiary

The Company does not hold any subsidiaries on 30 June 2019.

BPI International Finance Limited transferred its 100% ordinary share of BPI Remittance Centre (HK) Limited to its ultimate holding company, Bank of the Philippines Islands on 18 October 2018.

## BPI INTERNATIONAL FINANCE LIMITED

### 13 Fixed assets

	<i>Leasehold improvements</i> HK\$'000	<i>Furniture, fixtures and equipment</i> HK\$'000	<i>Right of use assets</i> HK\$'000	<i>Total</i> HK\$'000
<b>At 1 January 2018</b>				
Cost	2,816	1,571	-	4,387
Accumulated depreciation	(2,816)	(1,401)	-	(4,217)
<b>Net book value</b>	<b>-</b>	<b>170</b>	<b>-</b>	<b>170</b>
<b>Year ended 31 December 2018</b>				
Opening net book value	-	170	-	170
Additions	5	328	-	333
Depreciation charge	(3)	(276)	-	(279)
<b>Closing net book value</b>	<b>2</b>	<b>222</b>	<b>-</b>	<b>224</b>
<b>At 31 December 2018 and 1 January 2019</b>				
Cost	2,821	1,899	-	4,720
Accumulated depreciation	(2,819)	(1,677)	-	(4,496)
<b>Net book value</b>	<b>2</b>	<b>222</b>	<b>-</b>	<b>224</b>
<b>Period ended 30 June 2019</b>				
Opening net book value	2	222	-	224
Additions	5,362	1,166	11,097	17,625
Depreciation charge	(300)	(330)	(1,282)	(1,912)
<b>Closing net book value</b>	<b>5,064</b>	<b>1,058</b>	<b>9,815</b>	<b>15,937</b>
<b>At 30 June 2019</b>				
Cost	8,183	3,065	11,097	22,345
Accumulated depreciation	(3,119)	(2,007)	(1,282)	(6,408)
<b>Net book value</b>	<b>5,064</b>	<b>1,058</b>	<b>9,815</b>	<b>15,937</b>



## BPI INTERNATIONAL FINANCE LIMITED

### 14 Lease commitments

On 1 January 2019, the Company adopted HKFRS 16 Leases, HKFRS 16 replaces HKAS17, Leases. The Company has elected to adopt the simplified approach of transition and has not restated comparative information.

Under HKFRS16, the leases under the Company are no longer classified as operating leases.

The Company is primarily a lessee in property lease contract. The Company is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. As at 30 June 2019, the amount of lease liabilities under the Company is HK\$10,160,344.

As at 30 June 2018, the future aggregate minimum lease payment under non-cancellable operating leases in respect of the premises is as follows:

	<i>As at</i> <i>30 Jun 2019</i> HK\$'000	<i>As at</i> <i>31 Dec 2018</i> HK\$'000
No later than one year	-	4,449
Later than one year and no later than five years	-	122
	<u>-</u>	<u>4,571</u>

### 15 Off-balance sheet exposures

#### Contingent liabilities and commitments

The following is a summary of the contractual amounts of each significant class of contingent liability and commitment as at 30 June:

	<i>As at</i> <i>30 Jun 2019</i> HK\$'000	<i>As at</i> <i>31 Dec 2018</i> HK\$'000
Commitment		
Loan commitments with an original maturity of under 1 year or which are unconditionally cancellable without prior notice	19,996	3,639
Loan commitments with an original maturity of under 1 year	13,331	5,208
	<u>33,327</u>	<u>8,847</u>

## BPI INTERNATIONAL FINANCE LIMITED

### 16 Loans to officers

As at 30 June 2019, there is no loan made to officers as pursuant to section 78 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622), with reference to section 161B of the predecessor Hong Kong Companies Ordinance (Cap. 32).

### 17 Related party transactions

Following transaction was carried out with related parties:

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

	<i>As at</i> 30 Jun 2019 HK\$'000	<i>As at</i> 31 Dec 2018 HK\$'000
Transfer of subsidiary to ultimate holding company	-	500
System services charge from ultimate holding company	316	624
	<u>316</u>	<u>1,124</u>

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

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

	<i>As at</i> 30 Jun 2019 HK\$'000	<i>As at</i> 31 Dec 2018 HK\$'000
Bank balance held in ultimate holding company	<u>232</u>	<u>394</u>

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

## BPI INTERNATIONAL FINANCE LIMITED

### 18 Note to the cash flow statement

Reconciliation of loss before taxation to net cash (outflow)/ inflow from operating activities:

	<i>As at</i> 30 Jun 2019 HK\$'000	<i>As at</i> 30 Jun 2018 HK\$'000
Loss before taxation	(12,693)	(79)
Adjustments for:		
Net interest income	(2,749)	(2,679)
Depreciation of fixed assets	1,912	101
Credit impairment	(632)	695
Interest received	-	4,149
Interest paid	-	(1,029)
Elimination of exchange differences and other non-cash items	-	(49)
Changes in working capital:		
Decrease/ (increase) in placements with banks and other financial institutions with original maturity over three months	4,165	(171)
Decrease/ (increase) in advances and other accounts	28,471	(4,262)
(Decrease)/ increase in time deposits from customers	(35,229)	7,535
Increase in other payables	12,213	13,400
Cash (used in)/ generated from operating activities	<u>(4,542)</u>	<u>17,611</u>

### 19 Immediate and ultimate holding company

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

### 20 Approval of financial statements

The financial statements were approved by the board of directors on **19 SEP 2019**

# BPI INTERNATIONAL FINANCE LIMITED

## Unaudited Supplementary Information

The following information is disclosed as part of the accompanying information to the financial statements and does not form part of the financial statements.

### 1 Liquidity Position

Quarter ended

30 Jun 2019

Average liquidity maintenance ratio 373.34%

The Company is required to compute its Liquidity Maintenance Ratio ("LMR") on Hong Kong office basis under rule 10(1) (a) of the Banking (Liquidity) Rules. As a category 2 institution, it is required to maintain a monthly average ratio of not less than 25%.

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").

#### Liquidity risk management process

The liquidity condition of the Company is monitored on a daily basis 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.

### 2 Other than functional currency concentrations

	<i>EUR</i> HK\$'000	<i>USD</i> HK\$'000	<i>GBP</i> HK\$'000	<i>AUD</i> HK\$'000	<i>PHP</i> HK\$'000	<i>Total</i> HK\$'000
Equivalent in Hong Kong dollars 30 June 2019						
Spot assets	223	371,040	323	25,368	21	396,975
Spot liabilities	-	(228,965)	-	(25,046)	-	(254,011)
Net long position	<u>223</u>	<u>142,075</u>	<u>323</u>	<u>322</u>	<u>21</u>	<u>142,964</u>
Net structural position		<u>-</u>				<u>-</u>
Equivalent in Hong Kong dollars 31 December 2018						
Spot assets	189	394,843	226	26,927	28	422,213
Spot liabilities	-	(261,060)	-	(26,753)	(2)	(287,815)
Net long position	<u>189</u>	<u>133,783</u>	<u>226</u>	<u>174</u>	<u>26</u>	<u>134,398</u>
Net structural position		<u>-</u>				<u>-</u>

## BPI INTERNATIONAL FINANCE LIMITED

### 3 Non-Bank Mainland China Exposures

The Company does not have non-bank mainland China exposure as at 30 June 2019 and 31 December 2018.

### 4 Capital structure and adequacy

#### (a) Risk-weighted amount for credit risk

The Company uses the basic approach for calculation of credit risk.

	<i>As at</i> 30 Jun 2019 HK\$'000	<i>As at</i> 31 Dec 2018 HK\$'000
Sovereign exposures	10,274	16,072
Public Sector Entity exposures	1,924	1,850
Bank exposures	68,693	77,959
Other exposures	40,559	48,856
Total risk-weighted amount for on-balance sheet exposures	<u>121,450</u>	<u>144,737</u>
Other commitments (CCF at 20%)	<u>2,666</u>	<u>1,042</u>
Total risk-weighted amount for off-balance sheet exposures	<u>2,666</u>	<u>1,042</u>
Total risk-weighted amount for credit risk	<u>124,116</u>	<u>145,779</u>

#### (b) Risk-weighted amount for market risk

The Company is exempted from the calculation of market risk in 2019 and 2018.

#### (c) Risk-weighted amount for operational risk

The Company uses the basic indicator approach for calculation of operational risk.

	<i>As at</i> 30 Jun 2019 HK\$'000	<i>As at</i> 31 Dec 2018 HK\$'000
Risk-weighted amount for operational risk	<u>66,475</u>	<u>65,400</u>

## BPI INTERNATIONAL FINANCE LIMITED

### 5 Segmental information

#### (i) By geographical areas

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

#### (ii) Advances to customers

Gross advances to customers by industry sectors

	<i>As at</i> 30 Jun 2019 HK\$'000	<i>As at</i> 31 Dec 2018 HK\$'000
Loans for use outside Hong Kong Individuals - others	17,724	43,407
	<u>17,724</u>	<u>43,407</u>

Gross advances to customers by geographical area

	<i>As at</i> 30 Jun 2019 HK\$'000	<i>As at</i> 31 Dec 2018 HK\$'000
Residential status of customers:		
The Philippines	<u>17,724</u>	<u>43,407</u>

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

# BPI INTERNATIONAL FINANCE LIMITED

## 5 Segmental information (continued)

### (iii) International claims

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

30 June 2019

	Banks HK\$'000	Official Sector HK\$'000	Non-Bank Private Sector		Other HK\$'000	Total HK\$'000
			Of which: Non-bank financial institution HK\$'000	Of which: non- financial private sector HK\$'000		
1. Developed Countries						
of which Australia	4,000	-	-	-	-	4,000
of which United Kingdom	-	-	-	-	-	-
of which United States	8,000	27,000	-	-	-	35,000
of which Japan	8,000	-	-	-	-	8,000
2. Offshore Centers						
of which Cayman Island	-	-	-	-	-	-
of which Singapore	38,000	-	-	-	-	38,000
of which Hong Kong	272,000	-	-	-	-	272,000
3. Developing Africa and Middle East						
of which United Arab Emirates	-	-	-	-	-	-
4. Developing Asia and Pacific						
of which Philippines	5,000	1,000	-	23,000	-	29,000
of which Indonesia	-	6,000	-	-	-	6,000
of which South Korea	-	-	6,000	-	-	6,000

31 December 2018

	Banks HK\$'000	Official Sector HK\$'000	Non-Bank Private Sector		Other HK\$'000	Total HK\$'000
			Of which: Non-bank financial institution HK\$'000	Of which: non- financial private sector HK\$'000		
1. Developed Countries						
of which Australia	7,000	-	-	-	-	7,000
of which United Kingdom	49,000	-	-	-	-	49,000
of which United States	17,000	15,000	-	-	-	32,000
of which Japan	8,000	-	-	-	-	8,000
2. Offshore Centers						
of which Cayman Island	-	-	-	-	-	-
of which Singapore	-	-	-	-	-	-
of which Hong Kong	247,000	-	-	-	-	247,000
3. Developing Africa and Middle East						
of United Arab Emirates	6,000	-	-	-	-	6,000
4. Developing Asia and Pacific						
of which Philippines	4,000	1,000	-	45,000	-	50,000
of which Indonesia	-	13,000	-	-	-	13,000
of which South Korea	-	-	7,000	-	-	7,000

## **BPI INTERNATIONAL FINANCE LIMITED**

### **6 Overdue and rescheduled loans**

There were no overdue and rescheduled loans and repossessed assets as at 30 June 2019 (2018: Nil).