# Banc of America Securities Asia Limited

## Regulatory Disclosure Statement

## For the quarter ended
## 30th September 2018

**Banc of America Securities Asia Limited**

**Regulatory Disclosure**

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**BANC OF AMERICA SECURITIES ASIA LIMITED**

**UNAUDITED INFORMATION**

1. **Key Prudential Ratios:**

The following table provides an overview of the Bank's key prudential ratios.

| | | as at 30 Sep 2018 | as at 30 June 2018 | as at 31 March 2018 | as at 31 Dec 2017 | as at 30 Sep 2017 |
|---|---|---|---|---|---|---|
| | **Regulatory capital (amount USD'000)** | | | | | |
| 1 | Common Equity Tier 1 (CET1) | 531,002 | 529,503 | 534,259 | 534,846 | 537,279 |
| 2 | Tier 1 | 531,002 | 529,503 | 534,259 | 534,846 | 537,279 |
| 3 | Total capital | 531,002 | 529,503 | 534,259 | 534,846 | 537,279 |
| | **RWA (amount USD'000)** | | | | | |
| 4 | Total RWA | 199,022 | 321,698 | 742,807 | 328,020 | 180,082 |
| | **Risk-based regulatory capital ratios (as a percentage of RWA)** | | | | | |
| 5 | CET1 ratio (%) | 266.81 | 164.60 | 71.92 | 163.05 | 298.35 |
| 6 | Tier 1 ratio (%) | 266.81 | 164.60 | 71.92 | 163.05 | 298.35 |
| 7 | Total capital ratio (%) | 266.81 | 164.60 | 71.92 | 163.05 | 298.35 |
| | **Additional CET1 buffer requirements (as a percentage of RWA)** | | | | | |
| 8 | Capital conservation buffer requirement (%) | 1.88 | 1.88 | 1.88 | 1.25 | 1.25 |
| 9 | Countercyclical capital buffer requirement (%) | 0.17 | 0.47 | 0.62 | 0.21 | 0.00 |
| 10 | Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs) | NA | NA | NA | NA | NA |
| 11 | Total AI-specific CET1 buffer requirements (%) | 2.05 | 2.35 | 2.50 | 1.46 | 1.25 |
| 12 | CET1 available after meeting the AI's minimum capital requirements (%) | 256.73 | 154.26 | 61.43 | 153.59 | 289.10 |
| | **Basel III leverage ratio** | | | | | |
| 13 | Total leverage ratio (LR) exposure measure (amount USD'000) | 649,099 | 792,838 | 1,622,747 | 639,693 | 566,406 |
| 14 | LR (%) | 81.81 | 66.79 | 32.92 | 83.61 | 94.86 |
| | **Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)** | | | | | |
| | Applicable to category 1 institution only: | | | | | |
| 15 | Total high quality liquid assets (HQLA) | NA | NA | NA | NA | NA |
| 16 | Total net cash outflows | NA | NA | NA | NA | NA |
| 17 | LCR (%) | NA | NA | NA | NA | NA |
| | Applicable to category 2 institution only: | | | | | |
| 17a | LMR (%) | 184.34 | 587.93 | 263.57 | 23,017.36 | 111,740.36 |
| | **Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)** | | | | | |
| | Applicable to category 1 institution only: | | | | | |
| 18 | Total available stable funding | NA | NA | NA | NA | NA |
| 19 | Total required stable funding | NA | NA | NA | NA | NA |
| 20 | NSFR (%) | NA | NA | NA | NA | NA |
| | Applicable to category 2A institution only: | | | | | |
| 20a | CFR (%) | NA | NA | NA | NA | NA |

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**Key Prudential Ratios (continued)**

The above key regulatory ratios were calculated in accordance with the following Rules, where relevant, issued by the HKMA.

- Banking (Capital) Rules ("BCR")
- Leverage Ratio Framework
- Banking (Liquidity) Rules ("BLR")

## 2. Overview of Risk Weighted Assets

The following table sets out the Banks's risk-weighted assets ("RWA") and the corresponding minimum capital requirements by risk types.

| | | RWA USD'000 | | Minimum capital requirements USD'000 |
|---|---|---|---|---|
| | | As at 30 September 2018 | As at 30 June 2018 | As at 30 September 2018 |
| 1 | Credit risk for non-securitization exposures | 139,996 | 143,415 | 11,200 |
| 2 | Of which STC approach | 139,996 | 143,395 | 11,200 |
| 2a | Of which BSC approach | - | - | - |
| 3 | Of which foundation IRB approach | - | - | - |
| 4 | Of which supervisory slotting criteria approach | - | - | - |
| 5 | Of which advanced IRB approach | - | - | - |
| 6 | Counterparty default risk and default fund contributions | 27 | 71 | 2 |
| 7 | Of which SA-CCR | - | - | - |
| 7a | Of which CEM | 20 | 52 | 2 |
| 8 | Of which IMM(CCR) approach | - | - | - |
| 9 | Of which other | 7 | 19 | - |
| 10 | CVA Risk | - | - | - |
| 11 | Equity positions in banking book under the simple risk-weight method and internal models method | - | - | - |
| 12 | CIS exposures – LTA | - | - | - |
| 13 | CIS exposures – MBA | - | - | - |
| 14 | CIS exposures – FBA | - | - | - |
| 14a | CIS exposures – combination of approaches | - | - | - |
| 15 | Settlement risk | - | - | - |
| 16 | Securitization exposures in banking book | - | - | - |
| 17 | Of which SEC-IRBA | - | - | - |
| 18 | Of which SEC-ERBA | - | - | - |
| 19 | Of which SEC-SA | - | - | - |
| 19a | Of which SEC-FBA | - | - | - |
| 20 | Market risk | 18,393 | 140,365 | 1,471 |

| | | RWA USD'000 | | Minimum capital requirements USD'000 |
|---|---|---|---|---|
| | | As at 30 September 2018 | As at 30 June 2018 | As at 30 September 2018 |
| 21 | Of which STM approach | 18,393 | 140,365 | 1,471 |
| 22 | Of which IMM approach | - | - | - |
| 23 | Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)* | - | - | - |
| 24 | Operational risk | 8,175 | 5,419 | 654 |
| 25 | Amounts below the thresholds for deduction (subject to 250% RW) | 32,432 | 32,428 | 2,595 |
| 26 | Capital floor adjustment | - | - | - |
| 26a | Deduction to RWA | - | - | - |
| 26b | Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital | - | - | - |
| 26c | Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital | - | - | - |
| 27 | Total | 199,023 | 321,698 | 15,922 |

## 3. Leverage Ratio

| | **Item** | **Leverage ratio framework US$'000 30th September 2018** | **Leverage ratio framework US$'000 30th June 2018** |
|---|---|---|---|
| | **On-balance sheet exposures** | | |
| 1 | On-balance sheet items (excluding derivatives and SFTs, but including collateral) | 649,060 | 792,734 |
| 2 | Less: Asset amounts deducted in determining Tier 1 capital | - | - |
| 3 | Total on-balance sheet exposures (excluding derivatives and SFTs) | 649,060 | 792,734 |
| | **Derivative exposures** | | |
| 4 | Replacement cost associated with all derivatives transactions | 3 | 2 |
| 5 | Add-on amounts for PFE associated with all derivatives transactions | 36 | 102 |

| | | | |
|---|---|---|---|
| 6 | Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework | - | - |
| 7 | Less: Deductions of receivables assets for cash variation margin provided in derivatives transactions | - | - |
| 8 | Less: Exempted CCP leg of client-cleared trade exposures | - | - |
| 9 | Adjusted effective notional amount of written credit derivatives | - | - |
| 10 | Less: Adjusted effective notional offsets and add-on deductions for written credit derivatives | - | - |
| 11 | Total derivative exposures | 39 | 104 |
| | **Securities financing transaction exposures** | | |
| 12 | Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions | - | - |
| 13 | Less: Netted amounts of cash payables and cash receivables of gross SFT assets | - | - |
| 14 | CCR exposure for SFT assets | - | - |
| 15 | Agent transaction exposures | - | - |
| 16 | Total securities financing transaction exposures | - | - |
| | **Other off-balance sheet exposures** | | |
| 17 | Off-balance sheet exposure at gross notional amount | - | - |
| 18 | Less: Adjustments for conversion to credit equivalent amounts | - | - |
| 19 | Off-balance sheet items | - | - |
| | **Capital and total exposures** | | |
| 20 | Tier 1 capital | 531,002 | 529,503 |
| 20a | Total exposures before adjustments for specific and collective provisions | 649,099 | 792,838 |
| 20b | Adjustments for specific and collective provisions | - | - |
| 21 | Total exposures after adjustments for specific and collective provisions | 649,099 | 792,838 |
| | **Leverage ratio** | | |
| 22 | **leverage ratio** | **81.81%** | **66.79%** |