

Banc of America Securities Asia Limited

Regulatory Disclosure Statement

**For the quarter ended
31st March 2019**

Banc of America Securities Asia Limited

Regulatory Disclosure

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1. Key Prudential Ratios:

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

		as at 31 Mar 2019	as at 31 Dec 2018	as at 30 Sep 2018	as at 30 June 2018	as at 31 March 2018
	Regulatory capital (amount USD'000)					
1	Common Equity Tier 1 (CET1)	531,174	533,725	531,002	529,503	534,259
2	Tier 1	531,174	533,725	531,002	529,503	534,259
3	Total capital	531,174	533,725	531,002	529,503	534,259
	RWA (amount USD'000)					
4	Total RWA	156,312	185,983	199,022	321,698	742,807
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	339.82	286.98	266.81	164.60	71.92
6	Tier 1 ratio (%)	339.82	286.98	266.81	164.60	71.92
7	Total capital ratio (%)	339.82	286.98	266.81	164.60	71.92
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.50	1.88	1.88	1.88	1.88
9	Countercyclical capital buffer requirement (%)	0.86	0.11	0.17	0.47	0.62
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 (%)	3.36	1.99	2.05	2.35	2.50
12	CET1 available after meeting the AI's minimum capital requirements (%)	328.46	276.99	256.73	154.26	61.43
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure (amount USD'000)	636,365	644,717	649,099	792,838	1,622,747
14	LR (%)	83.47	82.78	81.81	66.79	32.92
	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 (%)	167.80	215.67	184.34	587.93	263.57
	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 31 March 2019	As at 31 December 2018	As at 31 March 2019
1	Credit risk for non-securitization exposures	138,622	133,307	11,090
2	Of which STC approach	138,622	133,307	11,090
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	-	-	-
7	Of which SA-CCR	-	-	-
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
9	Of which other	-	-	-
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	5,968	9,782	477
21	Of which STM approach	5,968	9,782	477

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		RWA USD'000		Minimum capital requirements USD'000
		As at 31 March 2019	As at 31 December 2018	As at 31 March 2019
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	11,722	10,462	938
25	Amounts below the thresholds for deduction (subject to 250% RW)	-	32,432	-
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	156,312	185,983	12,505

3. Leverage Ratio

	Item	Leverage ratio framework US\$'000 31st March 2019	Leverage ratio framework US\$'000 31st Dec 2018
On-balance sheet exposures			
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	637,285	644,717
2	Less: Asset amounts deducted in determining Tier 1 capital	920	-
3	Total on-balance sheet exposures (excluding derivatives and SFTs)	636,365	644,717
Derivative exposures			
4	Replacement cost associated with all derivatives transactions	-	-
5	Add-on amounts for PFE associated with all derivatives transactions	-	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-

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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	-	-
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	531,174	533,525
20a	Total exposures before adjustments for specific and collective provisions	636,365	644,717
20b	Adjustments for specific and collective provisions	-	-
21	Total exposures after adjustments for specific and collective provisions	636,365	644,717
Leverage ratio			
22	leverage ratio	83.47%	82.78%

4. Statement of Compliance

Upon consultation with the HKMA under section 16(2)(a) of the Banking (Disclosure) Rules ("BDR"), BASAL had sought consent form the HKMA to continue uploading the required financial disclosure information to the website of its ultimate parent entity, Bank of America Corporation.

It is not practicable for BASAL to disclose under section 16(FE)(1)(b) of the BDR the full terms and conditions of all of its relevant regulatory capital instruments on its internet website, since BASAL does not currently maintain its own internet website. This is the reason that led BASAL to seek the aforementioned consent form HKMA.

Herein included below is the direct link to Bank of America Corporation's internet website, whereby the full terms and conditions of all of BASAL's relevant regulatory capital instruments and financial disclosure information can be accessed.

<http://investor.bankofamerica.com/phoenix.zhtml?c=71595&p=subsidiaries#fbid=eDBVweHpCCU>

This information is also identical to, if not the closest available alternative to, the information which have been the subject of the required disclosures if BASAL had not been so unable to make the required disclosures on its own internet website.