

BANC OF AMERICA SECURITIES ASIA LIMITED

Interim Financial Disclosure Statements
(unaudited) for the period ended 30 Jun
2019

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2019

The reports and statements set out below comprise the audited annual financial statements presented to the shareholder:

Contents	Page(s)
Condensed statement of comprehensive income (unaudited)	3
Condensed statement of financial position (unaudited)	4
Condensed statement of changes in equity (unaudited)	5
Condensed statement of cash flows (unaudited)	6
Notes to the interim financial statements (unaudited)	7 – 13
Supplementary financial information (unaudited)	14 – 33

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2019

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE PERIOD ENDED 30th JUNE 2019

	Note	Jun 30,2019 US\$'000	Jun 30,2018 US\$'000
Interest income		5,307	3,052
Interest expense		(1,382)	(3,512)
Net interest income	3	3,925	(460)
Fee and commission expense	4	(19)	(39)
Net trading income/(expense)	5	1,706	(4,251)
Other operating income	6	424	7,630
Operating income		6,036	2,880
Operating expenses	7	(6,063)	(7,836)
Loss before taxation		(27)	(4,956)
Taxation (expense)/recovery	8	(1)	262
Loss for the period		(28)	(4,694)
		-----	-----
Total comprehensive loss for the period ended 30th June		(28)	(4,694)
		=====	=====
Attributable to			
Equity holders		(28)	(4,694)
		=====	=====

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2019

CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT 30th JUNE 2019

	Note	Jun 30,2019 US\$'000	Dec 31,2018 US\$'000	Cross Reference to Definition of Capital Components in Appendix 1
Assets				
Cash and balances with banks	10	490,214	617,064	
Financial assets at fair value through profit or loss	11	251,457	4,572	
Investment in subsidiary	12	-	12,971	
Amount due from intermediate holding company	16	561	523	
Amount due from affiliates	16	1,919	9,032	
Deferred income tax assets	9	865	550	
Other assets		-	5	
		<u>745,016</u>	<u>644,717</u>	
Total assets		<u>745,016</u>	<u>644,717</u>	
Liabilities				
Deposits and balances from banks	16	200,862	100,719	
Financial liabilities held for trading		453	1,732	
Derivative financial instruments	13	5,666	-	
Amount due to intermediate holding company	16	1,578	1,783	
Amount due to affiliates	16	643	4,342	
Current income tax liabilities		558	61	
Other liabilities	14	912	1,708	
		<u>210,672</u>	<u>110,345</u>	
Total liabilities		<u>210,672</u>	<u>110,345</u>	
Equity				
Share capital		491,442	491,442	(1)
Retained earnings		36,435	36,463	(2)
Other reserves	15	6,467	6,467	(3)
		<u>534,344</u>	<u>534,372</u>	
Total equity		<u>534,344</u>	<u>534,372</u>	
Total equity and liabilities		<u>745,016</u>	<u>644,717</u>	

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2019

CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

AS AT 30th JUNE 2019

	Share capital US\$'000	Retained earnings US\$'000	Other reserves US\$'000	Total US\$'000
Beginning balance at 1 January 2018	491,442	37,083	6,467	534,992
Total comprehensive loss for the year	-	(4,694)	-	(4,694)
Ending balance at 30th June 2018	<u>491,442</u>	<u>32,389</u>	<u>6,467</u>	<u>530,298</u>
Beginning balance at 1 January 2019	491,442	36,463	6,467	534,372
Total comprehensive loss for the year	-	(28)	-	(28)
Ending balance at 30th June 2019	<u>491,442</u>	<u>36,435</u>	<u>6,467</u>	<u>534,344</u>

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2019

CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE PERIOD ENDED 30th JUNE 2019

	Jun 30,2019 US\$'000	Jun 30,2018 US\$'000
Cash flows from operating activities		
Loss before taxation	(27)	(4,956)
Adjustment for:		
Net interest income	(3,925)	460
Net interest income on trading	(58)	(2,987)
	<hr/>	<hr/>
Operating cash flows before movements in working capital	(4,010)	(7,483)
Change in financial assets at fair value through profit or loss	(246,957)	28,111
Change in derivative financial instruments	5,666	(82)
Change in deposit and balance from banks	99,998	173,006
Change in financial liabilities held for trading	(1,244)	(14,177)
Change in amount due to intermediate holding company	(243)	1,087
Change in amount due from affiliates	3,414	(11,695)
Change in other assets	4	(4,397)
Change in other liabilities	(795)	(500)
Impairment loss recognized	2,086	-
	<hr/>	<hr/>
Cash used in operating activities	(142,081)	163,870
Interest received	5,472	8,694
Interest paid	(1,307)	(6,245)
Income taxes paid	181	(131)
	<hr/>	<hr/>
Net cash used in operating activities	(137,735)	166,188
	-----	-----
Cash flows from investing activities		
Repatriation of capital from subsidiary	10,885	-
	<hr/>	<hr/>
Net cash generated from investing activities	10,885	-
	-----	-----
Net increase in cash and cash equivalents	(126,850)	166,188
Cash and cash equivalents at 1st January	617,064	451,529
	<hr/>	<hr/>
Cash and cash equivalents at the end of period	490,214	617,717
	<hr/> <hr/>	<hr/> <hr/>
Analysis of the balances of cash and cash equivalents:		
Cash and balances with banks	490,214	617,717
	<hr/>	<hr/>
Cash and cash equivalents at the end of period	490,214	617,717
	<hr/> <hr/>	<hr/> <hr/>

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2019

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)

1. General information

Banc of America Securities Asia Limited (“the Company”) trades Fixed Income and Currency products. The ultimate holding company is Bank of America Corporation (“BAC”), a listed company incorporated in the United States of America.

The Company is a restricted licensed bank regulated by Hong Kong Monetary Authority (“HKMA”) and Securities and Futures Commission (“SFC”). The address of its registered office is 52/F, Cheung Kong Center, 2 Queen’s Road Central, Central, Hong Kong.

The interim financial statements are presented in US dollars, unless otherwise stated.

2. Basis of preparation

This condensed interim financial disclosure statements of the Company for the half-year reporting period ended 30th June 2019 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”.

This condensed interim financial disclosure statements does not include all the notes of the type normally included in an annual financial statements. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 31st December 2018.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

3. Net interest income

	June 30,2019 US\$'000	June 30,2018 US\$'000
<u>Interest income:</u>		
Placements with banks	5,307	3,052
<u>Interest expense:</u>		
Deposits and balances from banks	<u>(1,382)</u>	<u>(3,512)</u>
Net interest income	<u>3,925</u>	<u>(460)</u>

4. Fee and commission expense

	June 30,2019 US\$'000	June 30,2018 US\$'000
Securities custodian fees	18	37
Other fees paid	1	2
Fee and commission expense	<u>19</u>	<u>39</u>

No fee income and fee expenses, other than amounts included in determining the effective interest rate, arising from financial assets or financial liabilities that are not held for trading nor designated at fair value.

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2019

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)

5. Net trading income/ (expense)

	June 30,2019 US\$'000	June 30,2018 US\$'000
Net foreign exchange gain	1,698	1,478
Interest income from financial assets at fair value through profit or loss	93	5,837
Interest expense from financial liabilities held for trading	(35)	(2,850)
Net loss from financial instruments at fair value through profit or loss	(50)	(8,716)
	<u>1,706</u>	<u>(4,251)</u>

Comparative information has been restated to conform to changes in presentation in the current period.

6. Other operating income

	June 30,2019 US\$'000	June 30,2018 US\$'000
Service fee income	424	7,630
	<u>424</u>	<u>7,630</u>

7. Operating expenses

	June 30,2019 US\$'000	June 30,2018 US\$'000
Employee benefit expenses	3,184	6,858
Directors' fees	62	62
Legal and professional fees	-	17
Impairment loss of subsidiary (Note 12)	2,086	-
Service fee expenses	633	722
Others	98	177
	<u>6,063</u>	<u>7,836</u>

8. Taxation

Hong Kong profits tax has been calculated at the rate of 16.5% on the estimated assessable profit for the year.

(a) The amount of tax charged to the statement of comprehensive income represents:

	June 30,2019 US\$'000	June 30,2018 US\$'000
Current income tax:		
- Hong Kong profits tax	309	-
- Withholding tax	3	131
Deferred income tax		
- Reversal of temporary differences	(311)	(393)
Taxation expense/ (recovery)	<u>1</u>	<u>(262)</u>

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2019

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)

- (b) The tax on the Company's profit before taxation differs from the theoretical amount that would arise using the taxation rate of the home country of the Company as follows:

	June 30,2019 US\$'000	June 30,2018 US\$'000
Loss before taxation	(27)	(4,956)
Calculated at Hong Kong profits tax rate of 16.5%	309	-
Tax effect:		
Temporary differences reversal	(311)	(393)
Withholding Tax	3	131
Taxation expense/ (recovery)	<u>1</u>	<u>(262)</u>

9. Deferred income tax assets/ (liabilities)

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 16.5% (2017: 16.5%). The movement in the deferred income tax assets/ (liabilities) during the year is as follows:

	Depreciation allowances US\$'000	Share-based payment charge and accrual US\$'000	Total US\$'000
Beginning balance at 1 January 2018	(2)	147	145
Charge to the statement of comprehensive income for the year	-	405	405
Ending balance at 31 December 2018	<u>(2)</u>	<u>552</u>	<u>550</u>
Charge to the statement of comprehensive income for the period	-	311	311
Exchange difference	-	4	4
Ending balance at 30 June 2019	<u>(2)</u>	<u>867</u>	<u>865</u>

10. Cash and balances with banks

	Jun 30,2018 US\$'000	Dec 31,2018 US\$'000
Demand balances with banks	172,764	122,248
Deposits at call and short notice	317,450	494,816
	<u>490,214</u>	<u>617,064</u>

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2019

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)

11. Financial assets at fair value through profit or loss

	Jun 30, 2019 US\$'000	Dec 31, 2018 US\$'000
Debt securities, at fair value:		
Government bonds	250,634	486
Corporate bonds	823	4,086
	<u>251,457</u>	<u>4,572</u>

12. Investment in subsidiary

Unquoted – at investment cost

	US\$'000
At 1 January 2018 and 31 December 2018	12,971
Capital repatriation from subsidiary (note i)	(10,885)
Impairment loss recognized (note i)	(2,086)
At 30 Jun 2019	<u>-</u>

Note:

- (i) On 29 March 2019, a final cash distribution of USD \$10,884,647 from BA Australia Limited (BAAL) was received as part of the on-going liquidation process. No shares were exchanged during the transaction, with the result being a reduction in the Company's investment in BAAL to Nil.

13. Derivative financial instruments

The Company uses the following derivative instruments for trading purpose. None of the derivative financial instruments is subject to bilateral netting arrangement.

The fair values of derivative instruments held are set out below:

	Notional amount US\$'000	Fair Value	
		Assets US\$'000	Liabilities US\$'000
At 30 June 2019			
Derivatives held for trading			
- Exchange rate contracts	294,069	-	5,666
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2018			
Derivatives held for trading			
- Exchange rate contracts	-	-	-
	<u> </u>	<u> </u>	<u> </u>

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2019

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)

14. Other liabilities

	Jun 30,2019 US\$'000	Dec 31,2018 US\$'000
Other Payable	912	1,708

15. Other reserves

	Share-based payments reserve US\$'000
At 1 January 2018 and 31 December 2018	6,467
Directors' and employees' stocks and stock options granted	-
At 30 June 2019	6,467

Share-based payments reserve is not available for distribution.

16. Balances with group companies

Included in the following balance sheet captions are balances with subsidiaries of BAC, the ultimate holding company.

	Jun 30,2019 US\$'000	Dec 31,2018 US\$'000
Assets		
Cash and balance with banks		
Demand balances with banks	116,498	110,200
Deposits at call and short notice	317,450	494,816
	<u>433,948</u>	<u>605,016</u>
Amount due from intermediate holding company	561	523
Amount due from affiliates	1,919	9,032
	<u>436,428</u>	<u>614,571</u>

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2019

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)

Liabilities

Deposits and balances from banks	200,862	100,719
Derivative financial instruments	5,666	-
Amount due to intermediate holding company	1,578	1,783
Amount due to affiliates	643	4,342
	<u>208,749</u>	<u>106,844</u>

17. Related party transactions

In addition to balances with group companies as set out in note 16, the Company had the following material transactions with related parties during the year:

(a) Profit and loss

	Note	June 30, 2019 US\$'000	June 30, 2018 US\$'000
Revenue			
Interest income on placements	(i)	5,306	2,579
Service fee income	(ii)	424	7,630
Expenses			
Interest expense on deposits	(iii)	(1,380)	(3,504)
Impairment loss of subsidiary	(iv)	(2,086)	-
Service fee expenses	(v)	(633)	(722)

Note:

- (i) The interest income was generated from placements with group companies. The interest rates are similar to that which would normally apply to customers of comparable standing.
- (ii) Service fee income represents income received and receivable from supporting services provided to group companies and income recognised when certain charges are accrued by the Company. Service fees are calculated in accordance with BAC Global Transfer Pricing Policy and are generally documented in service level agreements entered into between the Company and other group companies.
- (iii) The interest expenses were paid on deposits from group companies. The interest rates are similar to that which would normally apply to customers of comparable standing.
- (iv) The amount represents impairment loss of subsidiary.
- (v) Service fee expenses represent expenses paid and payable for supporting services provided by group companies and expenses recognised when certain charges are accrued by the service provider. Service fees are calculated in accordance with BAC Global Transfer Pricing Policy and are generally documented in service level agreements entered into between the Company and other group companies.

The amounts paid to holding companies include amount charged under the Recharge Agreement for the Company's participation in the employee compensation plans. The fee is determined based on the change of the fair value between the grant dates and the vesting dates for shares; and between the grant dates and the exercise dates for options and the allocation of fair value for employees who rendered services to the Company and other group companies during the life of the awards. The amount included in Service fee expense is a net service fee of US\$236,000 (2018: US\$19,000).

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2019

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)

(b) Derivatives transactions

	Note	June 30,2019 US\$'000	June 30,2018 US\$'000
Exchange rate contracts with group companies for trading purpose	(i)	<u>294,069</u>	<u>-</u>

Note:

- (i) Balances represent the contractual notional amount of the outstanding currency swap contracts entered into with group companies. The terms of these contracts were entered in accordance with terms and conditions which would apply to customers of comparable standing.

18. Contingent liabilities and commitments

At 30th June 2019 and 31st December 2018, the Company did not have any contingent liabilities and commitments.

The following supplementary financial information is disclosed
as part of the accompanying information to the accounts and
does not form part of the audited accounts

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

1. Key Prudential Ratios:

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

		as at 30 Jun 2019	as at 31 Mar 2019	as at 31 Dec 2018	as at 30 Sep 2018	as at 30 Jun 2018
	Regulatory capital (amount USD'000)					
1	Common Equity Tier 1 (CET1)	533,424	531,174	533,725	531,002	529,503
2	Tier 1	533,424	531,174	533,725	531,002	529,503
3	Total capital	533,424	531,174	533,725	531,002	529,503
	RWA (amount USD'000)					
4	Total RWA	175,624	156,312	185,983	199,022	321,698
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	303.73	339.82	286.98	266.81	164.60
6	Tier 1 ratio (%)	303.73	339.82	286.98	266.81	164.60
7	Total capital ratio (%)	303.73	339.82	286.98	266.81	164.60
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.50	2.50	1.88	1.88	1.88
9	Countercyclical capital buffer requirement (%)	0.79	0.86	0.11	0.17	0.47
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 (%)	3.29	3.36	1.99	2.05	2.35
12	CET1 available after meeting the AI's minimum capital requirements (%)	292.44	328.46	276.99	256.73	154.26
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure (amount USD'000)	747,036	636,365	644,717	649,099	792,838
14	LR (%)	71.41	83.47	82.78	81.81	66.79
	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 (%)	32,858.19	167.80	215.67	184.34	587.93
	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

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

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 Jun 2019	As at 31 Mar 2019	As at 30 Jun 2019
1	Credit risk for non-securitization exposures	110,443	138,622	8,835
2	Of which STC approach	110,443	138,622	8,835
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	2,131	-	171
7	Of which SA-CCR	-	-	-
7a	Of which CEM	1,463	-	117
8	Of which IMM(CCR) approach	-	-	-
9	Of which other	-	-	-
10	CVA Risk	668	-	54
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	49,183	5,968	3,935
21	Of which STM approach	49,183	5,968	3,935
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	13,867	11,722	1,109
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	-	-	-
26	Capital floor adjustment	-	-	-

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

		RWA USD'000		Minimum capital requirements USD'000
		As at 30 Jun 2019	As at 31 Mar 2019	As at 30 Jun 2019
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	175,624	156,312	14,050

3. Composition of Regulatory Capital

3.1 Financial Statements and Regulatory Scope of Consolidation

For regulatory reporting purposes, the bank is required to compute its capital adequacy ratio and leverage ratio on a solo basis.

3.2 Capital Adequacy and Reconciliation of Regulatory Capital to the Financial Statement

The following table sets out the detailed composition of the Company's regulatory capital as at 30 Jun 2019.

USD'000		Component of regulatory capital reported by Bank	Cross reference to condensed balance sheet
CET1 capital: instruments and reserves			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	491,442	(1)
2	Retained earnings	36,435	(2)
3	Disclosed reserves	6,467	(3)
4	<i>Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies)</i>	Not applicable	Not applicable
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	-	
6	CET1 capital before regulatory deductions	534,344	
CET1 capital: regulatory deductions			
7	Valuation adjustments	55	
8	Goodwill (net of associated deferred tax liability)	-	
9	Other intangible assets (net of associated deferred tax liability)	-	
10	Deferred tax assets net of deferred tax liabilities	865	
11	Cash flow hedge reserve	-	

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

	USD'000	Component of regulatory capital reported by Bank	Cross reference to condensed balance sheet
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 capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
19	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
20	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
21	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
22	Amount exceeding the 15% threshold	Not applicable	Not applicable
23	of which: significant investments in the ordinary share of financial sector entities	Not applicable	Not applicable
24	of which: mortgage servicing rights	Not applicable	Not applicable
25	of which: deferred tax assets arising from temporary differences	Not applicable	Not applicable
26	National specific regulatory adjustments applied to CET1 capital	-	
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	-	
26c	Securitization exposures specified in a notice given by the Monetary Authority	-	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	-	
26e	Capital shortfall of regulated non-bank subsidiaries	-	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	-	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	-	
28	Total regulatory deductions to CET1 capital	-	
29	CET1 capital	533,424	

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

USD'000		Component of regulatory capital reported by Bank	Cross reference to condensed balance sheet
AT1 capital: instruments			
30	Qualifying AT1 capital instruments plus any related share premium	-	
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	-	
33	<i>Capital instruments subject to phase out arrangements from AT1 capital</i>	-	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	-	
35	<i>of which: AT1 capital instruments issued by subsidiaries subject to phase out arrangements</i>	-	
36	AT1 capital before regulatory deductions	-	
AT1 capital: regulatory deductions			
37	Investments in own AT1 capital instruments	-	
38	Reciprocal cross-holdings in AT1 capital instruments	-	
39	Insignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
40	Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	
41	National specific regulatory adjustments applied to AT1 capital	-	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	-	
43	Total regulatory deductions to AT1 capital	-	
44	AT1 capital	-	
45	Tier 1 capital (Tier 1 = CET1 + AT1)	533,424	
Tier 2 capital: instruments and provisions			
46	Qualifying Tier 2 capital instruments plus any related share premium	-	
47	<i>Capital instruments subject to phase out arrangements from Tier 2 capital</i>	-	
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	-	
49	<i>of which: capital instruments issued by subsidiaries subject to phase out arrangements</i>	-	
50	Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	-	
51	Tier 2 capital before regulatory deductions	-	
Tier 2 capital: regulatory deductions			
52	Investments in own Tier 2 capital instruments	-	
53	Reciprocal cross-holdings in Tier 2 capital instruments	-	

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

USD'000		Component of regulatory capital reported by Bank	Cross reference to condensed balance sheet
54	Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
55	Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	
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	-	
57	Total regulatory deductions to Tier 2 capital	-	
58	Tier 2 capital	-	
59	Total capital (Total capital = Tier 1 + Tier 2)	533,424	
60	Total risk weighted assets	175,624	
Capital ratios (as a percentage of risk weighted assets)			
61	CET1 capital ratio	303.73%	
62	Tier 1 capital ratio	303.73%	
63	Total capital ratio	303.73%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	3.287%	
65	<i>of which: capital conservation buffer requirement</i>	2.500%	
66	<i>of which: bank specific countercyclical buffer requirement</i>	0.787%	
67	<i>of which: higher loss absorbency requirement</i>	0.00%	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	292.44%	
National minima (if different from Basel 3 minimum)			
69	National CET1 minimum ratio	Not applicable	Not applicable
70	National Tier 1 minimum ratio	Not applicable	Not applicable
71	National Total capital minimum ratio	Not applicable	Not applicable
Amounts below the thresholds for deduction (before risk weighting)			
72	Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	
73	Significant capital 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 liability)	Not applicable	Not applicable

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

	USD'000	Component of regulatory capital reported by Bank	Cross reference to condensed balance sheet
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liability)	Not applicable	Not applicable
Applicable caps on the inclusion of provisions in Tier 2 capital			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA (prior to application of cap)	-	
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	-	
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	-	
Capital instruments subject to phase-out arrangements			
80	<i>Current cap on CET1 capital instruments subject to phase out arrangements</i>	Not applicable	Not applicable
81	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	Not applicable	Not applicable
82	<i>Current cap on AT1 capital instruments subject to phase out arrangements</i>	-	
83	<i>Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)</i>	-	
84	<i>Current cap on Tier 2 capital instruments subject to phase out arrangements</i>	-	
85	<i>Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)</i>	-	

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

3.3 Main Features of Capital instruments

The following is a summary of main features of the Company's issued Common Equity Tier 1 ("CET1") capital instrument outstanding as at 30 Jun 2019.

The Company did not have Additional Tier 1 or Tier 2 capital instruments as of 30 Jun 2019.

1	Issuer	Banc of America Securities Asia Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	BBG002Y21XT8
3	Governing law(s) of the instrument	Hong Kong Law
	<i>Regulatory treatment</i>	
4	Transitional Basel III rules	Common Equity Tier 1
5	Post-transitional Basel III rules	Common Equity Tier 1
6	Eligible at solo/group/group & solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares
8	Amount recognized in regulatory capital (Currency in million, as of most recent reporting date)	USD 491mil
9	Par value of instrument	NA
10	Accounting classification	Shareholders' equity
11	Original date of issuance	May 22, 1973
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	NA
16	Subsequent call dates, if applicable	NA
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	Discretionary dividend amount
18	Coupon rate and any related index	NA
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	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible
24	If convertible, conversion trigger (s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	No
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	No
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

4. Countercyclical Capital Buffer

4.1 Geographical breakdown of RWA related to Credit Exposures used in the Countercyclical Capital Buffer Ratio

As at 30 Jun 2019					
	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect %	RWA used in computation of CCyB ratio US\$'000	AI Specific CCyB ratio %	CCyB amount US\$'000
1	Hong Kong SAR	2.50%	271		
2	China	0.00%	649		
3	United Kingdom (excludes Guernsey, Isle of Man and Jersey)	1.00%	2,569		
4	United States (includes American Samoa, Guam, Midway Islands, Northern Mariana Islands, Puerto Rico, US Virgin Islands and Wake Islands)	0.00%	70		
5	West Indies UK (includes Anguilla, Antigua and Barbuda, British Virgin Islands, Montserrat and St. Christopher/St. Kitts - Nevis)	0.00%	572		
	Sum		4,131		
	Total		4,131	0.787%	33

5. Leverage Ratio

5.1 Summary Comparison of Accounting Assets against Leverage Ratio ("LR") Exposure Measure

	Item	Leverage ratio framework US\$'000 30 Jun 2019
1	Total consolidated assets as per published financial statements	745,016
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4	Adjustments for derivative Contracts	2,941
5	Adjustment for SFTs (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	-
6a	Adjustment for specific and collective provisions that are allowed to be excluded from exposure measure	-
7	Other adjustments	(921)
8	Leverage ratio exposure measure	747,036

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

5.2 Leverage Ratio ("LR")

	Item	Leverage ratio framework US\$'000 30 Jun 2019	Leverage ratio framework US\$'000 31 Mar 2019
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	745,016	637,285
2	Less: Asset amounts deducted in determining Tier 1 capital	920	920
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	744,095	636,365
Exposures arising from derivative contracts			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	-
5	Add-on amounts for PFE associated with all derivative contracts	2,941	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	-	-
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivative contracts	-	-
11	Total exposures arising from derivative contracts	2,941	-
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	-	-
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	-	-
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	-	-
18	Less: Adjustments for conversion to credit equivalent amounts	-	-
19	Off-balance sheet items	-	-
Capital and total exposures			
20	Tier 1 capital	533,424	531,174
20a	Total exposures before adjustments for specific and collective provisions	747,036	636,365
20b	Adjustments for specific and collective provisions	-	-
21	Total exposures after adjustments for specific and collective provisions	747,036	636,365
Leverage ratio			
22	Leverage ratio	71.41%	83.47%

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

6. Credit Risk

6.1 Quantitative Disclosures

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

At 30 Jun 2019, the Company did not have any loans, debt securities and off-balance sheet exposures for subjected to credit risk capital.

6.2 Credit risk exposures and effects of recognized credit risk mitigation –STC approach

In US \$'000

Exposure classes		As at 30 Jun 2019					
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density (%)
1	Sovereign exposures	-	-	-	-	-	-
2	PSE exposures	-	-	-	-	-	-
2a	Of which: domestic PSEs	-	-	-	-	-	-
2b	Of which: foreign PSEs	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-
4	Bank exposures	490,775	2,941	490,775	2,941	109,336	22
5	Securities firm exposures	-	-	-	-	-	-
6	Corporate exposures	-	-	-	-	-	-
7	CIS exposures	-	-	-	-	-	-
8	Cash items	-	-	-	-	-	-
9	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	206	-	206	-	2,570	1250
10	Regulatory retail exposures	-	-	-	-	-	-
11	Residential mortgage loans	-	-	-	-	-	-
12	Other exposures which are not past due exposures	-	-	-	-	-	-
13	Past due exposures	-	-	-	-	-	-
14	Significant exposures to commercial entities	-	-	-	-	-	-
15	Total	490,981	2,941	490,981	2,941	111,906	23

6.3 Credit risk exposures by asset classes and by risk weights – for STC approach

In US\$ '000

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

		As at 30 Jun 2019										
		Risk Weight										Total credit risk exposures amount (post CCF and post CRM)
Exposure class		0%	10%	20%	35%	50%	75%	100%	150%	250%	Others	
1	Sovereign exposures	-	-	-	-	-	-	-	-	-	-	-
2	PSE exposures	-	-	-	-	-	-	-	-	-	-	-
2a	Of which: domestic PSEs	-	-	-	-	-	-	-	-	-	-	-
2b	Of which: foreign PSEs	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-	-	-
4	Bank exposures	-	-	458,381	-	35,335	-	-	-	-	-	493,716
5	Securities firm exposures	-	-	-	-	-	-	-	-	-	-	-
6	Corporate exposures	-	-	-	-	-	-	-	-	-	-	-
7	CIS exposures	-	-	-	-	-	-	-	-	-	-	-
8	Cash items	-	-	-	-	-	-	-	-	-	-	-
9	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	-	-	-	-	-	-	-	-	-	206	206
10	Regulatory retail exposures	-	-	-	-	-	-	-	-	-	-	-
11	Residential mortgage loans	-	-	-	-	-	-	-	-	-	-	-
12	Other exposures which are not past due exposures	-	-	-	-	-	-	-	-	-	-	-
13	Past due exposures	-	-	-	-	-	-	-	-	-	-	-
14	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
15	Total	-	-	458,381	-	35,335	-	-	-	-	206	493,922

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

7. Counterparty Credit Risk

7.1 Quantitative Disclosures

(a) Analysis of counterparty default risk exposures (other than those to CCPs) by approaches

		(a)	(b)	(c)	(d)	(e)	(f)
		Replacement cost (RC)	PFE	Effective EPE	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM	RWA
	As at 30 June 2019	US\$'000					
1	SA-CCR (for derivative contracts)	-	-		N/A	-	-
1a	CEM	-	2,941		-	2,941	1,463
2	IMM (CCR) approach			-	-	-	-
3	Simple Approach (for SFTs)					-	-
4	Comprehensive Approach (for SFTs)					-	-
5	VaR (for SFTs)					-	-
6	Total						1,463

Before SA-CCR comes into effect, the current exposure method (CEM) is used for calculating default risk exposures of derivative contracts.

(b) CVA capital charge

		(a)	(b)
		EAD post CRM	RWA
	As at 30 June 2019	US\$'000	
	Netting sets for which CVA capital charge is calculated by the advanced CVA method		
1	(i) VaR (after application of multiplication factor if applicable)		-
2	(ii) Stressed VaR (after application of multiplication factor if applicable)		-
3	Netting sets for which CVA capital charge is calculated by the standardized CVA method	2,941	668
4	Total	2,941	668

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

(c) Counterparty default risk exposures (other than those to CCPs) by asset classes and by risk weights – STC approach

As at 30 June 2019												
Exposure class	Risk Weight	(a)	(b)	(c)	(ca)	(d)	(e)	(f)	(g)	(ga)	(h)	(i)
		0%	10%	20%	35%	50%	75%	100%	150%	250%	Others	Total default risk exposure after CRM
1	Sovereign exposures	-	-	-	-	-	-	-	-	-	-	-
2	PSE exposures	-	-	-	-	-	-	-	-	-	-	-
2a	Of which: domestic PSEs	-	-	-	-	-	-	-	-	-	-	-
2b	Of which: foreign PSEs	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-	-	-
4	Bank exposures	-	-	-	-	2,941	-	-	-	-	-	2,941
5	Securities firm exposures	-	-	-	-	-	-	-	-	-	-	-
6	Corporate exposures	-	-	-	-	-	-	-	-	-	-	-
7	CIS exposures	-	-	-	-	-	-	-	-	-	-	-
8	Regulatory retail exposures	-	-	-	-	-	-	-	-	-	-	-
9	Residential mortgage loans	-	-	-	-	-	-	-	-	-	-	-
10	Other exposures which are not past due exposures	-	-	-	-	-	-	-	-	-	-	-
11	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
12	Total	-	-	-	-	2,941	-	-	-	-	-	2,941

(d) Composition of collateral for counterparty default risk exposures (including those or contracts or transactions cleared through CCPs)

At 30 Jun 2019, the Company did not have any composition of collateral for counterparty default risk exposures.

(e) Credit-related derivatives contracts

At 30 Jun 2019, the Company did not have any credit-related derivatives contracts.

(f) Exposures to CCPs

At 30 Jun 2019, the Company did not have any exposures as clearing member or client to qualifying and non-qualifying CCPs.

8. Securitization Exposures

At 30 Jun 2019, the Company did not have any Securitization Exposures.

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

9. Market Risk

9.1 Quantitative Disclosure

Market Risk under Standardized Approach

(In US \$'000)		As at 30 Jun 2019
		RWA
	Outright product exposures	
1	Interest rate exposures (general and specific risk)	48,920
2	Equity exposures (general and specific risk)	-
3	Foreign exchange (including gold) exposures	263
4	Commodity exposures	-
	Option exposures	
5	Simplified approach	-
6	Delta-plus approach	-
7	Other approach	-
8	Securitization exposures	-
9	Total	49,183

10. International claims

US\$' 000

As at 30 June 2019	Banks	Official Sector	Non Bank Private Sector		Total
			Non-bank Financial institutions	Non-financial private sector	
Developed Countries	444,309	-	1,918	70	446,297
- United States (98%)	433,809	-	1,918	-	435,727
Offshore centers	-	-	212	293	505
Developing Asia and Pacific	45,896	250,634	-	248	296,778
- South Korea (99%)	44,350	250,634	-	-	294,984
Total	490,205	250,634	2,130	611	743,580

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

US\$' 000

As at 31 December 2018	Banks	Official Sector	Non Bank Private Sector		Total
			Non-bank Financial institutions	Non-financial private sector	
Developed Countries	615,754	-	21,726	105	637,585
- United States (90%)	605,322	-	21,726	-	627,048
Offshore centers	-	-	256	2,662	2,918
Developing Asia and Pacific	1,730	3	-	1,549	3,282
Total	617,484	3	21,982	4,316	643,785

The information of international claims discloses exposures to foreign counterparties on which the ultimate risk lies, and is derived according to the location of the counterparties after taking into account any transfer of risk. In general, transfer of risk from one country to another is recognised if the claims against counterparties are guaranteed by another party in a different country or if the claims are on an overseas branch of a bank whose head office is located in a different country.

A country or geographical segment (including Hong Kong) should generally be reported individually if it constitutes 10% or more of the aggregated international claims.

11. Loans and advance to customers and overdue and rescheduled assets

At 30 Jun 2019, the Company did not have any loans and advance to customers and overdue and rescheduled assets.

12. Reposessed assets

At 30 Jun 2019, the Company did not have any reposessed assets.

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

13. Mainland activities

The analysis of Mainland activities is based on the categories of non-bank counterparties and the type of direct exposures defined by the HKMA under the Banking (Disclosure) Rules with reference to the HKMA return of Mainland activities.

As at 30 Jun 2019	On-balance sheet exposure US\$'000	Off-balance sheet exposure US\$'000	Total US\$'000
<u>Type of counterparties</u>			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	-	-	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	35	-	35
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	181	-	181
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local government not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	360	-	360
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	<u>576</u>	<u>-</u>	<u>576</u>
Total assets after provision	<u>745,016</u>		
On-balance sheet exposures as percentage of total assets	<u>0.08%</u>		

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

As at 31 Dec 2018	On-balance sheet exposure US\$'000	Off-balance sheet exposure US\$'000	Total US\$'000
<u>Type of counterparties</u>			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	192	-	192
2. Local governments, local government-owned entities and their subsidiaries and JVs	165	-	165
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	882	-	882
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local government not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	1,444	-	1,444
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	2,683	-	2,683
Total assets after provision	644,717		
On-balance sheet exposures as percentage of total assets	0.42%		

14. Currency risk

The net positions in foreign currencies in US dollars equivalent are disclosed below where each currency constitutes 10% or more of the respective total net position in all foreign currencies.

	USD	PHP	KRW	OTH	Total
US\$' 000					
As of 30 Jun 2019					
Spot assets	446,373	1,557	294,984	666	743,580
Spot liabilities	(743,830)	-	-	(505)	(744,335)
Forward purchases	294,070	-	-	-	294,070
Forward sales	-	-	(296,657)	-	(296,657)
Net long/(short) position	(3,387)	1,557	(1,673)	161	(3,342)

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

	USD	CNY	EUR	PHP	KRW	OTH	Total
US\$' 000							
As at 31 Dec 2018							
Spot assets	640,872	253	422	1,487	739	12	643,785
Spot liabilities	(643,916)	-	(506)	(39)	-	(1)	(644,462)
Forward purchases	-	-	-	-	-	-	-
Forward sales	-	-	-	-	-	-	-
Net long/(short) position	<u>(3,044)</u>	<u>253</u>	<u>(84)</u>	<u>1,448</u>	<u>739</u>	<u>11</u>	<u>(677)</u>

As at 30th Jun 2019, the Company did not have any net structural position.

15. Authorized institution under requirements of G-SIBs

BASAL is not an authorized institution under requirements of G-SIB.

16. Statement of Compliance

Upon consultation with the HKMA under section 16(2)(a) of the Banking (Disclosure) Rules ("BDR"), BASAL had sought consent from 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 from 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#bid=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.