

Banc of America Securities Asia Limited
Interim Financial Disclosure Statement

For the period ended
30th June 2018

BANC OF AMERICA SECURITIES ASIA LIMITED
INTERIM FINANCIAL DISCLOSURE STATEMENTS
FOR THE PERIOD ENDED 30TH JUNE 2018

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BANC OF AMERICA SECURITIES ASIA LIMITED**CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED 30TH JUNE 2018**

	Note	June 30, 2018 US\$'000	June 30, 2017 US\$'000
Interest income		3,052	1,085
Interest expense		(3,512)	(10)
Net interest (expense) income	3	(460)	1,075
Fee and commission expense	4	(39)	(24)
Net trading (expense) income	5	(4,251)	21
Other operating income	16	7,630	-
Operating income		2,880	1,072
Operating expenses	6	(7,836)	(353)
(Loss)/Profit before taxation		(4,956)	719
Taxation recovery (expense)	7	262	(116)
(Loss)/Profit for the period		(4,694)	603
		-----	-----
Total comprehensive (loss)/income for the period		(4,694)	603
		=====	=====
Attributable to Equity holders		(4,694)	603
		=====	=====

BANC OF AMERICA SECURITIES ASIA LIMITED

**CONDENSED BALANCE SHEET (UNAUDITED)
AS AT 30TH JUNE 2018**

	Note	30 th June 2018 US\$'000	31 st December 2017 US\$'000	Cross Reference to Supplementary Financial Information (item 3.2)
Assets				
Cash and balances with banks	8	617,717	451,529	
Financial assets at fair value through profit or loss	9	65,030	92,945	
Derivative financial instruments	10	3	752	
Investment in subsidiary		12,971	12,971	
Amount due from intermediate holding company	15	427	705	
Amount due from affiliates	15	90,760	78,411	
Current income tax assets		187	186	
Deferred income tax assets	11	538	145	(4)
Other assets	12	5,067	671	
		<u>792,700</u>	<u>638,315</u>	
Total assets		<u><u>792,700</u></u>	<u><u>638,315</u></u>	
Liabilities				
Deposits and balances from banks	15	200,443	27,064	
Financial liabilities held for trading		42,027	56,459	
Derivative financial instruments	10	6	837	
Amount due to intermediate holding company	15	2,290	1,482	
Amount due to affiliates	15	15,012	14,357	
Other liabilities	12	2,624	3,124	
		<u>262,402</u>	<u>103,323</u>	
Total liabilities		<u><u>262,402</u></u>	<u><u>103,323</u></u>	
Equity				
Share capital		491,442	491,442	(1)
Retained earnings		32,389	37,083	(2)
Other reserves	14	6,467	6,467	(3)
		<u>530,298</u>	<u>534,992</u>	
Total equity		<u><u>530,298</u></u>	<u><u>534,992</u></u>	
Total equity and liabilities		<u><u>792,700</u></u>	<u><u>638,315</u></u>	

BANC OF AMERICA SECURITIES ASIA LIMITED**CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED 30TH JUNE 2018**

	Share capital US\$'000	Retained earnings US\$'000	Other reserves US\$'000	Total US\$'000
Beginning balance at 1st January 2017	220,000	38,018	6,467	264,485
Profit and total comprehensive income for the year	-	603	-	603
Ending balance at 30th June 2017	<u>220,000</u>	<u>38,621</u>	<u>6,467</u>	<u>265,088</u>
Beginning balance at 1st January 2018	491,442	37,083	6,467	534,992
Total comprehensive loss for the year	-	(4,694)	-	(4,694)
Ending balance at 30 th June 2018	<u>491,442</u>	<u>32,389</u>	<u>6,467</u>	<u>530,298</u>

BANC OF AMERICA SECURITIES ASIA LIMITED

**CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED 30TH JUNE 2018**

	Six months ended 30 th June	
	2018	2017
	US\$'000	US\$'000
Cash flows from operating activities		
(Loss)/ Profit before taxation	(4,956)	719
Adjustment for:		
Net interest income	(2,526)	(1,115)
Interest received	8,693	1,125
Interest paid	(6,245)	(10)
	<hr/>	<hr/>
Operating cash flows before movements in working capital	(5,034)	719
Change in financial assets at fair value through profit or loss	28,111	1,418
Change in derivative financial instruments	(82)	-
Change in placements with banks with original maturity beyond three months	173,006	-
Change in financial liabilities held for trading	(14,177)	-
Change in amount due to/from intermediate holding company	1,087	(45)
Change in amounts due to/from affiliates	(11,695)	-
Change in other assets	(4,397)	-
Change in other liabilities	(500)	109
	<hr/>	<hr/>
Cash used in operating activities	166,319	2,201
Income taxes paid	(131)	-
	<hr/>	<hr/>
Net cash generated from operating activities	166,188	2,201
	-----	-----
Net increase in cash and cash equivalents	166,188	2,201
Cash and cash equivalents at 1st January	451,529	263,447
	<hr/>	<hr/>
Cash and cash equivalents at 30th June	617,717	265,648
	<hr/> <hr/>	<hr/> <hr/>
Analysis of the balances of cash and cash equivalents:		
Cash and balances with banks and other financial institutions	182,937	5,957
Money at call and short notice	434,780	260,009
Deposits and balances from banks with original maturity within three months	-	(318)
	<hr/>	<hr/>
	617,717	265,648
	<hr/> <hr/>	<hr/> <hr/>

BANC OF AMERICA SECURITIES ASIA LIMITED

NOTES TO THE INTERIM FINANCIAL DISCLOSURE STATEMENT (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 and Securities and Futures Commission. 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 2018 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 2017.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below:

(a) New standards and interpretations adopted by the Company

Below is a summary of standards, amendments or interpretations that were effective for the first time for the financial year beginning 1 January 2018 that have had a material impact on the Company.

- HKFRS 9 - Financial Instruments (“HKFRS 9”) is effective for accounting periods beginning on or after 1st January 2018 and addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaced the guidance in HKAS 39 - Financial Instruments: Recognition and Measurement that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income (“FVOCI”) and fair value through profit or loss (“FVPL”). The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset.

Under the new classification and measurement requirements, the majority of the Company’s financial assets and liabilities were measured on the same bases as previously adopted under HKAS 39. On adoption of the new standard, and following review of the business model for each portfolio of financial assets, classification and measurement of financial assets remain unchanged.

BANC OF AMERICA SECURITIES ASIA LIMITED

NOTES TO THE INTERIM FINANCIAL DISCLOSURE STATEMENT (UNAUDITED)

2. Basis of preparation (continued)

For liabilities designated at fair value through profit or loss, HKFRS 9 requires the recognition of changes in the Company's own credit risk in other comprehensive income. Classification and measurement of financial liabilities remain unchanged and did not result in any adjustment to equity upon adoption of the standard.

HKFRS 9 includes an amendment to HKAS 1 which now requires entities to present 'interest income calculated under effective interest method' on the face of the income statement, which can only relate to assets measured at amortised cost or FVOCI. Interest on trading assets or other assets at FVPL was presented as part of net trading income in the income statement, along with comparative figures as disclosed in Note 5.

- HKFRS 15 - Revenue from Contracts with Customers ("HKFRS 15") became effective for accounting periods beginning on or after 1st January 2018 and established a comprehensive framework for determining whether, how much and when revenue is recognized. The customer contracts within the scope of the new standard have been identified, and the Company determined the new standard did not have a material impact to the timing or measurement of its revenue recognition.

There were no other standards or interpretations which were effective that had a material impact on the Company.

BANC OF AMERICA SECURITIES ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL DISCLOSURE STATEMENT
(UNAUDITED)**

3. Net interest income

	30th June 2018 US\$'000	30th June 2017 US\$'000
Interest income:		
Placements with banks	<u>3,052</u>	<u>1,085</u>
Interest expense:		
Deposits and balances from banks	<u>(3,512)</u>	<u>(10)</u>
Net interest (expense) income	<u><u>(460)</u></u>	<u><u>1,075</u></u>

For the six months period ended 30th June 2018, the Company's interest income and interest expenses are US\$3,052,000 (2017: US\$1,085,000) and US\$3,512,000 (2017: \$10,000) for financial assets and financial liabilities that are not at fair value through profit or loss respectively.

4. Fee and commission expense

	30th June 2018 US\$'000	30th June 2017 US\$'000
Securities custodian fees	37	23
Other fees paid	<u>2</u>	<u>1</u>
Fee and commission expense	<u><u>39</u></u>	<u><u>24</u></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.

5. Net trading (expense) income

	30th June 2018 US\$'000	30th June 2017 US\$'000
Net foreign exchange gain	58	29
Net loss from financial assets at fair value through profit or loss	(7,296)	(48)
Interest income from financial assets at fair value through profit or loss	5,837	40
Interest expense from financial liabilities held for trading	<u>(2,850)</u>	<u>—</u>
	<u><u>(4,251)</u></u>	<u><u>21</u></u>

BANC OF AMERICA SECURITIES ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL DISCLOSURE STATEMENT
(UNAUDITED)**

6. Operating expenses

	30th June 2018 US\$'000	30th June 2017 US\$'000
Employee benefit expenses	6,858	-
Directors' emoluments	62	-
Auditor fees	40	-
General and administrative	137	-
Service fee expenses	722	348
Legal and professional fees	17	1
License fee	-	4
	<u>7,836</u>	<u>353</u>

7. Taxation

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

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

	30th June 2018 US\$'000	30th June 2017 US\$'000
Current income tax:		
- Hong Kong profits tax	-	116
- Withholding tax	131	
Deferred tax		
- Reversal of temporary differences	<u>(393)</u>	<u>-</u>
Taxation	<u>(262)</u>	<u>116</u>

BANC OF AMERICA SECURITIES ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL DISCLOSURE STATEMENT
(UNAUDITED)**

7. Taxation (continued)

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

	30th June 2018 US\$'000	30th June 2017 US\$'000
(Loss)/Profit before taxation	(4,956)	719
Calculated at Hong Kong profits tax rate of 16.5%	-	119
Tax effect:		
Income not taxable for tax purposes	-	(3)
Withholding tax	131	-
Temporary differences recognized/ (reversal)	(393)	-
Taxation	(262)	116

8. Cash and balances with banks

	30th June 2018 US\$'000	31st December 2017 US\$'000
Demand balances with banks	182,937	235,037
Money at call and short notice	434,780	216,492
	<u>617,717</u>	<u>451,529</u>

9. Financial assets at fair value through profit or loss

	30th June 2018 US\$'000	31st December 2017 US\$'000
Unlisted debt securities, at fair value:		
Government bonds	2,278	23,721
Corporate bonds	<u>62,752</u>	<u>69,224</u>
	<u>65,030</u>	<u>92,945</u>

BANC OF AMERICA SECURITIES ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL DISCLOSURE STATEMENT
(UNAUDITED)**

10. Derivatives 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 30th June 2018			
Derivatives held for trading			
- Exchange rate contracts			
Currency swaps	10,224	3	(6)
	<u> </u>	<u> </u>	<u> </u>
At 31st December 2017			
Derivatives held for trading			
- Exchange rate contracts			
Currency swaps	132,968	752	(837)
	<u> </u>	<u> </u>	<u> </u>

11. Deferred income tax assets

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 balance in respect of depreciation allowances during the period is as follows:

	US\$'000
Beginning balance at 1st January 2017	(2)
Charge to the statement of comprehensive income for the year	147
	<u> </u>
Ending balance at 31st December 2017	145
Charge to the statement of comprehensive income for the period	393
	<u> </u>
Ending balance at 30th June 2018	<u>538</u>

BANC OF AMERICA SECURITIES ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL DISCLOSURE STATEMENT
(UNAUDITED)**

12. Other assets and liabilities

	30th June 2018 US\$'000	31st December 2017 US\$'000
Securities Pending Settlement	5,065	-
Other assets	2	671
	<u>5,067</u>	<u>671</u>

	30th June 2018 US\$'000	31st December 2017 US\$'000
Other payable	<u>2,624</u>	<u>3,124</u>

13. Fair value of financial assets and liabilities

The fair value of financial instruments traded in an active market (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

- (a) The fair values of financial assets and liabilities not presented at fair value in the Company's balance sheet are estimated as follows:

Cash and short term funds

The fair value of floating rate placements and overnight deposits is their carrying amounts. The estimated fair value of fixed interest bearing deposits, which is normally less than one year, is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity. Therefore the fair value is approximately equal to its carrying value.

BANC OF AMERICA SECURITIES ASIA LIMITED

NOTES TO THE INTERIM FINANCIAL DISCLOSURE STATEMENT (UNAUDITED)

13. Fair value of financial assets and liabilities (continued)

Other liabilities

The carrying value of other liabilities approximates their fair value as these balances are generally short term in nature and the associated credit risk considered to be insignificant.

(b) Fair value hierarchy

HKFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes actively traded securities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This level includes the majority of the OTC derivative contracts. The sources of input parameters are Bloomberg and Reuters.

Level 3 – Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

	Level 2 US\$'000
At 30 th June 2018	
Assets	
Financial assets at fair value through profit or loss	
Debt securities	62,752
Derivative financial instruments	
Exchange rate contracts	3
Total assets	<u>62,755</u>
Liabilities	
Financial assets at fair value through profit or loss	
Debt securities	42,027
Derivative financial instruments	
Exchange rate contracts	6
Total liabilities	<u>42,033</u>

BANC OF AMERICA SECURITIES ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL DISCLOSURE STATEMENT
(UNAUDITED)**

13. Fair value of financial assets and liabilities (continued)

	Level 2 US\$'000
At 31st December 2017	
Assets	
Financial assets at fair value through profit or loss	
Debt securities	92,945
Derivative financial instruments	
Exchange rate contracts	752
Total assets	<u>93,697</u>
Liabilities	
Financial assets at fair value through profit or loss	
Debt securities	56,459
Derivative financial instruments	
Exchange rate contracts	837
Total liabilities	<u>57,296</u>

There were no transfers of financial assets or liabilities between levels of the fair value hierarchy classifications during the six months to 30th June 2018 and 2017. There were also no changes made to any of the valuation techniques applied as of 31st December 2017.

BANC OF AMERICA SECURITIES ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL DISCLOSURE STATEMENT
(UNAUDITED)**

14. Other reserves

	Share-based payments reserve US\$'000
At 1st January 2017	6,467
Directors' and employees' stocks and stock options granted	-
	<hr/>
At 31st December 2017	6,467
At 1st January 2018	
Directors' and employees' stocks and stock options granted	-
	<hr/>
At 30th June 2018	<u>6,467</u>

15. Balance with group companies

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

	30th June 2018 US\$'000	31st December 2017 US\$'000
<u>Assets</u>		
Cash and balance with banks		
Demand balances with banks	182,937	234,623
Money at call and short notice	434,780	216,492
	<hr/>	<hr/>
	617,717	451,115
	-----	-----
Derivative financial instruments	3	752
Amount due from intermediate holding company	427	705
Amount due from affiliates	90,760	78,411
	<hr/>	<hr/>
	708,907	530,983
	<hr/> <hr/>	<hr/> <hr/>
<u>Liabilities</u>		
Deposits and balances from banks	200,443	27,064
Derivative financial instruments	6	837
Amount due to intermediate holding company	2,290	1,482
Amount due to affiliates	15,012	14,357
	<hr/>	<hr/>
	217,751	43,740
	<hr/> <hr/>	<hr/> <hr/>

BANC OF AMERICA SECURITIES ASIA LIMITED

NOTES TO THE INTERIM FINANCIAL DISCLOSURE STATEMENT (UNAUDITED)

16. Related party transactions

The Company is wholly owned by BankAmerica International Financial Corporation, a limited company incorporated in the United States of America. The ultimate holding and controlling party of the Company is BAC, a listed company incorporated in the United States of America.

In addition to balances with group companies as set out in note 15, the Company had the following material transactions with related parties during the period:

(a) Profit and loss

	Note	30th June 2018 US\$'000	30th June 2017 US\$'000
Interest income on placements	(i)	2,579	1,085
Interest expense on deposits	(ii)	(3,504)	(10)
Service fee expenses	(iii)	(722)	(348)
Service fee income	(iii)	7,630	-
		<u>7,630</u>	<u>-</u>

Note:

- (i) The interest income was generated from placements with an intermediate holding company. The interest rates are similar to that which would normally apply to customers of comparable standing.
- (ii) The interest expenses were paid on deposits from an intermediate holding company. The interest rates are similar to that which would normally apply to customers of comparable standing.
- (iii) Service fee income and expenses represents income received and expenses paid and payable for supporting services provided to or 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 amounts 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\$19,000 (2017: Nil).

BANC OF AMERICA SECURITIES ASIA LIMITED

**NOTES TO THE INTERIM FINANCIAL DISCLOSURE STATEMENT
(UNAUDITED)**

16. Related party transactions (continued)

(b) Derivatives transactions

	Note	30th June 2018 US\$'000	31st December 2017 US\$'000
Exchange rate contracts with a fellow subsidiary for trading purpose	(i)	10,224	132,968

Note:

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

17. Contingent liabilities and commitments

At 30th June 2018 and 31st December 2017, 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 June 2018	as at 31 March 2018	as at 31 Decembe r 2017	as at 30 Septembe r 2017	as at 30 June 2017
	Regulatory capital (amount USD'000)					
1	Common Equity Tier 1 (CET1)	529,503	534,259	534,846	537,279	265,088
2	Tier 1	529,503	534,259	534,846	537,279	265,088
3	Total capital	529,503	534,259	534,846	537,279	265,088
	RWA (amount USD'000)					
4	Total RWA	321,698	742,807	328,020	180,082	54,986
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	164.60	71.92	163.05	298.35	482.10
6	Tier 1 ratio (%)	164.60	71.92	163.05	298.35	482.10
7	Total capital ratio (%)	164.60	71.92	163.05	298.35	482.10
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	1.88	1.88	1.25	1.25	1.25
9	Countercyclical capital buffer requirement (%)	0.47	0.62	0.21	0.00	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 (%)	2.35	2.50	1.46	1.25	1.25
12	CET1 available after meeting the AI's minimum capital requirements (%)	154.26	61.43	153.59	289.10	472.85
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure (amount USD'000)	792,838	1,622,747	639,693	566,406	265,989
14	LR (%)	66.79	32.92	83.61	94.86	99.66
	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 (%)	587.93	263.57	23,017.36	111,740.36	6820.20
	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)

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 June 2018	As at 31 March 2018	As at 30 June 2018
1	Credit risk for non-securitization exposures	143,415	136,175	11,473
2	Of which STC approach	143,395	136,175	11,473
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	71	1,506	6
7	Of which SA-CCR	-	-	-
7a	Of which CEM	52	742	4
8	Of which IMM(CCR) approach	-	-	-
9	Of which other	19	764	2
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	140,365	565,247	11,229
21	Of which STM approach	140,365	565,247	11,229

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		RWA USD'000		Minimum capital requirements USD'000
		As at 30 June 2018	As at 31 March 2018	As at 30 June 2018
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	5,419	7,451	434
25	Amounts below the thresholds for deduction (subject to 250% RW)	32,428	32,428	2,594
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	321,698	742,807	25,736

BANC OF AMERICA SECURITIES ASIA LIMITED

SUPPLEMENTARY FINANCIAL INFORMATION (UNAUDITED)

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 June 2018.

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	32,389	(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	530,298	
CET1 capital: regulatory deductions			
7	Valuation adjustments	257	
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	538	(4)
11	Cash flow hedge reserve	-	
12	Excess of total EL amount over total eligible provisions under the IRB approach	-	
13	Credit-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitization transactions	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	-	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in CET1 capital instruments	-	
18	Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	

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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	529,503	
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)	-	

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SUPPLEMENTARY FINANCIAL INFORMATION (UNAUDITED)

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)	529,503	
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	-	
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)	529,503	
60	Total risk weighted assets	321,698	
Capital ratios (as a percentage of risk weighted assets)			
61	CET1 capital ratio	164.60%	
62	Tier 1 capital ratio	164.60%	
63	Total capital ratio	164.60%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	2.342%	
65	<i>of which: capital conservation buffer requirement</i>	1.875%	
66	<i>of which: bank specific countercyclical buffer requirement</i>	0.467%	
67	<i>of which: higher loss absorbency requirement</i>	0.00%	

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68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	154.26%	
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
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>	-	

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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 June 2018.

The Company did not have Additional Tier 1 or Tier 2 capital instruments as of 30 June 2018.

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

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4. Countercyclical Capital Buffer

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

As at 30 June 2018					
	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect	RWA used in computation of CCyB ratio	AI Specific CCyB ratio	CCyB amount
		%	US\$'000	%	US\$'000
1	Hong Kong SAR	1.88%	38,098		
2	Australia	0.00%	34,802		
3	China	0.00%	31,090		
4	Singapore	0.00%	20,447		
5	Indonesia	0.00%	10,281		
6	Netherlands	0.00%	9,530		
7	Cayman Islands	0.00%	4,038		
8	United Kingdom	0.50%	3,418		
9	Wes Indies UK	0.00%	2,101		
10	United States	0.00%	1,148		
11	Mauritius	0.00%	999		
12	India	0.00%	477		
13	Malaysia	0.00%	135		
14	South Korea	0.00%	50		
	Sum		156,663		
	Total		156,663	0.47%	731

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SUPPLEMENTARY FINANCIAL INFORMATION (UNAUDITED)

5. Leverage Ratio

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

	Item	Leverage ratio framework US\$’000 30th June 2018
1	Total consolidated assets as per published financial statements	792,734
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	104
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	-
6a	Adjustment for specific and collective provisions that are allowed to be excluded from exposure measure	-
7	Other adjustments	-
8	Leverage ratio exposure measure	792,838

5.2 Leverage Ratio (“LR”)

	Item	Leverage ratio framework US\$’000 30th June 2018	Leverage ratio framework US\$’000 31st March 2018
On-balance sheet exposures			
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	792,734	1,619,270
2	Less: Asset amounts deducted in determining Tier 1 capital	-	-
3	Total on-balance sheet exposures (excluding derivatives and SFTs)	792,734	1,619,270
Derivative exposures			
4	Replacement cost associated with all derivatives transactions	2	41
5	Add-on amounts for PFE associated with all derivatives transactions	102	3,435
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	104	3,476
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	529,503	534,259
20a	Total exposures before adjustments for specific and collective provisions	792,838	1,622,747
20b	Adjustments for specific and collective provisions	-	-
21	Total exposures after adjustments for specific and collective provisions	792,838	1,622,747
Leverage ratio			
22	leverage ratio	66.79%	32.92%

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SUPPLEMENTARY FINANCIAL INFORMATION (UNAUDITED)

6. Credit Risk

6.1 Quantitative Disclosures

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

At 30 June 2018, 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

		As at 30 June 2018					
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
Exposure classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density (%)
1	Sovereign exposures	187	-	187	-	-	-
2	PSE exposures	-	-	-	-	-	-
2a	Of which: domestic PSEs	-	-	-	-	-	-
2b	Of which: foreign PSEs	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-
4	Bank exposures	618,578	-	618,578	-	143,146	23
5	Securities firm exposures	325	104	325	104	215	50
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	10	-	10	-	107	1031
10	Regulatory retail exposures	-	-	-	-	-	-
11	Residential mortgage loans	-	-	-	-	-	-
12	Other exposures which are not past due exposures	12,971	-	12,971	-	32,428	250
13	Past due exposures	-	-	-	-	-	-
14	Significant exposures to commercial entities	-	-	-	-	-	-
15	Total	632,071	104	632,071	104	175,896	28

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SUPPLEMENTARY FINANCIAL INFORMATION (UNAUDITED)

6. Credit Risk (Continued)

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

In US\$ '000

	Risk Weight Exposure class	As at 30 June 2018										Total credit risk exposure s amount (post CCF and post CRM)	
		0%	10 %	20%	35 %	50%	75%	100 %	150%	250%	Other s		
1	Sovereign exposures	187	-	-	-	-	-	-	-	-	-	-	187
2	PSE exposures	-	-	-	-	-	-	-	-	-	-	-	-
2a	Of which: domestic PSEs	-	-	-	-	-	-	-	-	-	-	-	-
2b	Of which: foreign PSEs	-	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-	-	-	-
4	Bank exposures	-	-	553,809	-	64,768	-	-	-	-	-	-	618,577
5	Securities firm exposures	-	-	-	-	429	-	-	-	-	-	-	429
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	-	-	-	-	-	-	-	-	-	-	10	10
10	Regulatory retail exposures	-	-	-	-	-	-	-	-	-	-	-	-
11	Residential mortgage loans	-	-	-	-	-	-	-	-	-	-	-	-
12	Other exposures which are not past due exposures	-	-	-	-	-	-	-	-	-	12,971	-	12,971
13	Past due exposures	-	-	-	-	-	-	-	-	-	-	-	-
14	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-	-
15	Total	187	-	553,809	-	65,197	-	-	-	-	12,971	10	632,174

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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

In US\$ '000

		As at 30 June 2018					
		Replacement cost (RC)	PFE	Effective EPE	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM	RWA
1	SA-CCR (for derivative contracts)	-	104		N/A	104	52
1a	CEM	-	-		-	-	-
2	IMM (CCR) approach			-	-	-	-
3	Simple Approach (for SFTs)					-	-
4	Comprehensive Approach (for SFTs)					-	-
5	VaR (for SFTs)					-	-
6	Total						52

(b) CVA capital charge

(In US\$ '000)

		As at 30 June 2018	
		EAD post CRM	RWA
	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	104	19
4	Total	104	19

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SUPPLEMENTARY FINANCIAL INFORMATION (UNAUDITED)

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

In US\$ '000

		As at 30 June 2018										
	Risk Weight Exposure class	0%	10%	20%	35%	50%	75%	100%	150%	250%	Others	Total default risk exposure after CRM
1	Sovereign exposures	-	-	-	-	-	-	-	-	-	-	-
2	PSE exposures	-	-	-	-	-	-	-	-	-	-	-
2	Of which:											
a	domestic PSEs	-	-	-	-	-	-	-	-	-	-	-
2	Of which: foreign PSEs	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-	-	-
4	Bank exposures	-	-	-	-	-	-	-	-	-	-	-
5	Securities firm exposures	-	-	-	-	104	-	-	-	-	-	104
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	-	-	-	-	104	-	-	-	-	-	104

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

At 30 June 2018, the Company did not have any composition of collateral for counterparty default risk exposures.

- (e) Credit-related derivatives contracts

At 30 June 2018, the Company did not have any credit-related derivatives contracts.

- (f) Exposures to CCPs

At 30 June 2018, the Company did not have any exposures as clearing member or client to qualifying and non-qualifying CCPs.

BANC OF AMERICA SECURITIES ASIA LIMITED**SUPPLEMENTARY FINANCIAL INFORMATION (UNAUDITED)****8. Securitization Exposures**

At 30 June 2018, the Company did not have any Securitization Exposures.

9. Market Risk**9.1 Quantitative Disclosure****Market Risk under Standardized Approach**

(In US \$'000)		As at 30 June 2018
		RWA
	Outright product exposures	
1	Interest rate exposures (general and specific risk)	137,465
2	Equity exposures (general and specific risk)	-
3	Foreign exchange (including gold) exposures	2,900
4	Commodity exposures	-
	Option exposures	
5	Simplified approach	-
6	Delta-plus approach	-
7	Other approach	-
8	Securitization exposures	-
9	Total	140,365

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SUPPLEMENTARY FINANCIAL INFORMATION (UNAUDITED)

10. International claims

US\$' millions

As at 30 June 2018	Banks	Official Sector	Non Bank Private Sector		Total
			Non-bank Financial institutions	Non-financial private sector	
Developed Countries	616	-	110	9	735
- United States (90%)	605	-	110	-	715
Offshore centers	-	-	1	30	31
Developing Europe	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	-	-
Developing Africa and Middle East	-	-	-	-	-
Developing Asia and Pacific	2	2	-	21	25
Total	618	2	111	60	791

US\$' millions

As at 31 December 2017	Banks	Official Sector	Non Bank Private Sector		Total
			Non-bank Financial institutions	Non-financial private sector	
Developed Countries	107	-	93	3	203
Offshore centers	344	-	1	21	366
Developing Europe	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	-	-
Developing Africa and Middle East	-	-	-	-	-
Developing Asia and Pacific	-	24	-	45	69
Total	451	24	94	69	638

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.

BANC OF AMERICA SECURITIES ASIA LIMITED**SUPPLEMENTARY FINANCIAL INFORMATION (UNAUDITED)****11. Loans and advance to customers and overdue and rescheduled assets**

At 30 June 2018, the Company did not have any loans and advance to customers and overdue and rescheduled assets.

12. Repossessed assets

At 30 June 2018, the Company did not have any repossessed assets.

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 June 2018 <u>Type of counterparties</u>	On- balance sheet exposure US\$'000	Off-balance sheet exposure US\$'000	Total US\$'000
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	1,974	-	1,974
2. Local governments, local government-owned entities and their subsidiaries and JVs	475	-	475
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3,506	-	3,506
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	22,934	-	22,934
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	<u>28,889</u>	<u>-</u>	<u>28,889</u>
Total assets after provision	<u>792,736</u>		
On-balance sheet exposures as percentage of total assets	<u>3.64%</u>		

BANC OF AMERICA SECURITIES ASIA LIMITED

SUPPLEMENTARY FINANCIAL INFORMATION (UNAUDITED)

As at 31 December 2017	On- balance sheet exposure US\$'000	Off-balance sheet exposure US\$'000	Total US\$'000
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	23,903	-	23,903
2. Local governments, local government-owned entities and their subsidiaries and JVs	14,102	-	14,102
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,050	-	1,050
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	37,350	-	37,350
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	<u>76,405</u>	<u>-</u>	<u>76,405</u>
Total assets after provision	<u>638,363</u>		
On-balance sheet exposures as percentage of total assets	<u>11.97%</u>		

BANC OF AMERICA SECURITIES ASIA LIMITED**SUPPLEMENTARY FINANCIAL INFORMATION (UNAUDITED)****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	Others	Total
USD millions			
As at 30 June 2018			
Spot assets	787	4	791
Spot liabilities	(792)	-	(792)
Forward purchases	9	2	11
Forward sales	(2)	(9)	(11)
	<hr/>	<hr/>	<hr/>
Net long/(short) position	2	(3)	(1)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	USD	CNY	Others	Total
USD millions				
As at 31 December 2017				
Spot assets	614	24	-	638
Spot liabilities	(638)	-	-	(638)
Forward purchases	78	55	-	133
Forward sales	(54)	(79)	-	(133)
	<hr/>	<hr/>	<hr/>	<hr/>
Net long/(short) position	-	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

As at 30th June 2018, 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.