Bank of America Merrill Lynch

Banc of America Securities Asia Limited

Quarterly Disclosure Statement

For the period ended 31st March 2018

BANC OF AMERICA SECURITIES ASIA LIMITED

UNAUDITED INFORMATION

Key capital ratios disclosure

(i) Capital adequacy ratios

The table below summarises the ratio of Banc of America Securities Asia Limited ("the Company").

	As at 31 March 2018	As at 31 December 2017
Common Equity Tier 1 Capital Ratio	71.92%	163.05%
Tier 1 Capital Ratio	71.92%	163.05%
Total Capital Ratio	71.92%	163.05%

The capital base and risk-weighted amount ("RWA") used in the calculation of the above capital adequacy ratios is summarised as follows:

	As at 31 March 2018 US$'000	As at 31 December 2017 US$'000
Capital base:		
Common Equity Tier 1 Capital	534,259	534,846
Tier 1 Capital	534,259	534,846
Total Capital	534,259	534,846
Total RWA	742,807	328,020

(ii) Leverage ratio

	As at 31 March 2018	As at 31 December 2017
Leverage Ratio	32.92%	83.61%

The capital and total exposure measure used in the calculation of the above leverage ratio is summarised as follows:

	As at 31 March 2018 US$'000	As at 31 December 2017 US$'000
Tier 1 Capital	534,259	534,846
Total exposures measure	1,622,747	639,693

Total Capital Adequacy Ratio decreased comparing with last quarter, mainly due to increased RWA of USD 415m mainly due to increased market risk exposure as a result of increased trading bonds position.

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Overview of RWA

The tables below provides breakdown of RWA of the Company.

In accordance with the Banking (Capital) Rules (the “Capital Rules”) issued by the Hong Kong Monetary Authority (“HKMA”), the Company has adopted the “standardised (credit risk) approach” for the calculation of the risk-weighted assets for credit risk and the “basic indicator approach” for the calculation of operational risk.

		(a)	(b)	(c)
		RWA		Minimum capital requirements*
		As at 31 March 2018	As at 31 December 2017	As at 31 March 2018
		US$'000		
1	Credit risk for non-securitization exposures	136,175	129,952	10,894
2	Of which STC approach	136,175	129,952	10,894
2a	Of which BSC approach	-	-	-
3	Of which IRB approach	-	-	-
4	Counterparty credit risk	1,506	1,447	121
5	Of which SA-CCR	-	-	-
5a	Of which CEM	742	1,065	59
6	Of which IMM(CCR) approach	-	-	-
7	Equity exposures in banking book under the market-based approach	-	-	-
8	CIS exposures – LTA	-	-	-
9	CIS exposures – MBA	-	-	-
10	CIS exposures – FBA	-	-	-
11	Settlement risk	-	-	-
12	Securitization exposures in banking book	-	-	-
13	Of which IRB(S) approach – ratings-based method	-	-	-
14	Of which IRB(S) approach – supervisory formula method	-	-	-
15	Of which STC(S) approach	-	-	-
16	Market risk	565,247	160,458	45,220
17	Of which STM approach	565,247	160,458	45,220
18	Of which IMM approach	-	-	-
19	Operational risk	7,451	3,735	596
20	Of which BIA approach	7,451	3,735	596
21	Of which STO approach	-	-	-
21a	Of which ASA approach	-	-	-
22	Of which AMA approach	-	-	-

Overview of RWA (Continued)

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 31 March 2018	As at 31 December 2017	As at 31 March 2018
		US$'000		
23	Amounts below the thresholds for deduction (subject to 250% RW)	32,428	32,428	2,594
24	Capital floor adjustment	-	-	-
24a	Deduction to RWA	-	-	-
24b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-
24c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	-	-	-
25	Total	742,807	328,020	59,425
N/A: Not applicable in the case of Hong Kong				

*Note: Minimum capital requirement corresponds to 8% of RWA.

Total RWA has increased by USD 415m since last quarter mainly due to increased market risk exposure as a result of increased trading bonds position.