

Banc of America Securities Asia Limited

Quarterly Disclosure Statement

**For the period ended
30th September 2017**

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 30th Sep 2017	As at 30th Jun 2017
Common Equity Tier 1 Capital Ratio	298.35%	482.10%
Tier 1 Capital Ratio	298.35%	482.10%
Total Capital Ratio	298.35%	482.10%

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

	As at 30th Sep 2017	As at 30th Jun 2017
	US\$'000	
Capital base:		
Common Equity Tier 1 Capital	537,279	265,088
Tier 1 Capital	537,279	265,088
Total Capital	537,279	265,088
Total RWA	180,082	54,986

(ii) Leverage ratio

	As at 30th Sep 2017	As at 30th Jun 2017
Leverage Ratio	94.86%	99.66%

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

	As at 30th Sep 2017	As at 30th Jun 2017
	US\$'000	
Tier 1 Capital	537,279	265,088
Total exposures measure	566,406	265,989

Total Capital Adequacy Ratio decreased comparing with last quarter, mainly due to increased RWA from credit risk exposure from non-securitization exposure. Increased credit risk exposure is due to increased asset size after capital injection of USD 271m.

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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.

Besides, the Company is exempted from market risk capital requirement as in agreement with the HKMA.

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 30th September 2017	As at 30th June 2017	As at 30th September 2017
		US\$'000		
1	Credit risk for non-securitization exposures	176,663	53,193	14,133
2	Of which STC approach	176,663	53,193	14,133
2a	Of which BSC approach	-	-	-
3	Of which IRB approach	-	-	-
4	Counterparty credit risk	897	17	72
5	Of which SA-CCR	-	-	-
5a	Of which CEM	617	12	49
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	-	-	-
17	Of which STM approach	-	-	-
18	Of which IMM approach	-	-	-
19	Operational risk	2,522	1,776	202
20	Of which BIA approach	2,522	1,776	202
21	Of which STO approach	-	-	-
21a	Of which ASA approach	-	-	-
22	Of which AMA approach	N/A	N/A	N/A

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Overview of RWA (Continued)

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 30th September 2017	As at 30th June 2017	As at 30th September 2017
		US\$'000		
23	Amounts below the thresholds for deduction (subject to 250% RW)	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	180,082	54,986	14,407
N/A: Not applicable in the case of Hong Kong				

Total RWA has increased by USD 125m since last quarter mainly due to increased RWA from credit risk exposure from non-securitization exposure. This is mainly driven by increased asset size after capital injection of USD 271m.