

**Banc of America Securities Asia Limited**

**Interim Financial Information  
Disclosure Statement**

**For the period ended  
30th June 2016**

# BANC OF AMERICA SECURITIES ASIA LIMITED

## UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30th JUNE 2016

	30th June 2016 US\$'000	30th June 2015 US\$'000
Interest income	586	191
Fee and commission expense	-	(1)
	<u>586</u>	<u>190</u>
Operating income	586	190
Operating expenses	(7)	(3)
	<u>579</u>	<u>187</u>
Profit before taxation	579	187
Taxation	(81)	-
	<u>498</u>	<u>187</u>
<b>Profit for the period</b>	<b>498</b>	<b>187</b>
	<u><u>498</u></u>	<u><u>187</u></u>
<b>Total comprehensive income for the period</b>	<b>498</b>	<b>187</b>
	<u><u>498</u></u>	<u><u>187</u></u>
<b>Attributable to</b>		
Equity holders	498	187
	<u><u>498</u></u>	<u><u>187</u></u>

The Company has remained inactive since 15th February 2011.

## BANC OF AMERICA SECURITIES ASIA LIMITED

### UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30th JUNE 2016

	30th June 2016 US\$'000	30th June 2015 US\$'000
Interest income:		
Placements with banks	586	191
	<u>586</u>	<u>191</u>
Of which interest income arising from financial assets not measured at fair value through profit or loss	586	191

For the six month period ended 30th June 2016, the Company's operating income, net of fee and commission expense, was attributable to cash activity only with US\$ 586 thousands (2015: US\$ 190 thousands).

For the six month period ended 30th June 2016 and 30th June 2015, the Company did not have any trading income and there was no income derived from financial instruments designated at fair value through profit or loss.

For the six month period ended 30th June 2016 and 30th June 2015, the Company did not have any fee and commission income.

The breakdown of the Company's operating expenses was as follows:

	30th June 2016 US\$'000	30th June 2015 US\$'000
Foreign exchange	(1)	3
Licence fee	8	-
	<u>7</u>	<u>3</u>

**BANC OF AMERICA SECURITIES ASIA LIMITED**

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 30th JUNE 2016**

	30th June 2016 US\$'000	31st December 2015 US\$'000	Cross Reference to Definition of Capital Components in Appendix 1
<b>ASSETS</b>			
Cash and balances with banks	44,177	43,687	
Placements with banks maturing between one and twelve months	220,068	220,042	
<b>TOTAL ASSETS</b>	<u>264,245</u>	<u>263,729</u>	
<b>LIABILITIES</b>			
Amount due to intermediate holding company	-	63	
Current tax payables	110	14	
Deferred tax liabilities	2	17	
Other liabilities	38	38	
<b>TOTAL LIABILITIES</b>	<u>150</u>	<u>132</u>	
<b>EQUITY</b>			
Share capital	220,000	220,000	(1)
Retained earnings	37,628	37,130	(2)
Other reserves	6,467	6,467	(3)
<b>TOTAL EQUITY</b>	<u>264,095</u>	<u>263,597</u>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>264,245</u>	<u>263,729</u>	

## **BANC OF AMERICA SECURITIES ASIA LIMITED**

### **UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2016**

The Company had no property, plant and equipment during the six month periods ended 30th June 2016 and 30th June 2015 and as at 30th June 2016 and 31st December 2015.

As at 30th June 2016 and 31st December 2015, the Company had no loans and advances to customers.

As at 30th June 2016 and 31st December 2015, the Company had no impaired loans and advances, overdue or rescheduled assets.

As at 30th June 2016 and 31st December 2015, the Company did not hold any other assets.

The breakdown of the Company's other reserves were as follows:

	30th June 2016 US\$'000	31st December 2015 US\$'000
Share-based payment reserve	<u>6,467</u>	<u>6,467</u>

# BANC OF AMERICA SECURITIES ASIA LIMITED

## UNAUDITED SUPPLEMENTARY INFORMATION

(a) Derivative financial instruments

As at 30th June 2016 and 31st December 2015, the Company did not hold any derivative contract.

(b) Contingent liabilities and commitments

As at 30th June 2016 and 31st December 2015, the Company did not have any contingent liabilities and commitments.

(c) Liquidity information

***Liquidity ratio***

	For the six months ended	
	30th June 2016	30th June 2015
Average liquidity maintenance ratio for the financial period	N/A%	N/A%

The Banking (Liquidity) Rules ('BLR'), effective on 1st January 2015, signified the implementation of Liquidity Maintenance Ratio ('LMR') for category 2 Institution under Basel III liquidity standards in Hong Kong.

As the Company has no qualifying liabilities since September 2010, the Liquidity Ratio is not applicable.

***Liquidity risk management process***

The Company's management of liquidity is conducted in accordance with the corporate strategy on liquidity and in compliance with the rules, regulations and guidelines stipulated by the local regulatory authority. The process, as carried out within the Company and monitored by the Treasury unit, includes:

- Day-to-day funding, managed by monitoring future cash flows to ensure liquidity requirements can be met;
- Maintaining a portfolio of marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- Monitoring balance sheet liquidity against internal and regulatory requirements;
- Management review on balance sheet profile and maturity gaps; and
- Reporting of non-compliance on internal and regulatory requirements.

## BANC OF AMERICA SECURITIES ASIA LIMITED

### UNAUDITED SUPPLEMENTARY INFORMATION

(d) Capital management

The table below summarises the ratios and the composition of regulatory capital of the Company as at 30th June 2016 and 31st December 2015.

	As at 30th June 2016	As at 31st December 2015
Capital adequacy ratios		
Common Equity Tier 1	489.93%	491.60%
Tier 1	489.93%	491.60%
Total	489.93%	491.60%

The capital adequacy ratios (including Common Equity Tier 1, Tier 1 Capital and Total Capital ratios) as at 30th June 2016 and 31st December 2015 were calculated in accordance with the Banking (Capital) Rules (the "Capital Rules") issued by the Hong Kong Monetary Authority ("HKMA") under section 98A of the Hong Kong Banking Ordinance. HKMA has implemented Basel III capital adequacy requirements with effective on 1st January 2014. In accordance with the Capital Rules, 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 HKMA is satisfied that the Company meets the criteria set out in section 22(1)(a) and (b) of the Capital Rules which exempted the Company from the calculation of market risk under section 17 of the Capital Rules accordingly.

There were no regulatory deductions on the Company's Common Equity Tier 1 capital and the total capital base as at 30th June 2016 and 31st December 2015. In addition, there were no limits or minima applied to the calculation of the capital base of the Company in accordance with the Capital Rules.

The Banking (Capital) (Amendment) Rules 2014 came into effect on 1st January 2015 to implement the Basel III capital buffer requirements in Hong Kong. The changes include the phase-in from 2016 to 2019 of the Capital Conservation Buffer ("CCB") which is designed to ensure banks build up capital outside periods of stress of 2.5% of risk-weighted assets, the Countercyclical Capital Buffer ("CCyB") which is set on an individual country basis and is built up during periods of excess credit growth to protect against future losses, and the Higher Loss Absorbency ("HLA") requirements for Domestic Systemically Important Banks ("D-SIB"). On 27th January 2015 and 14th January 2016, the HKMA announced a CCyB for Hong Kong of 0.625% and 1.25% of risk-weighted assets from 1st January 2016 and 1st January 2017 respectively under the phase-in arrangements of Basel III, equivalent to 2.5% once fully phased in. On 16th March 2015 and 31st December 2015, the HKMA announced that the Company is not designed as a D-SIB in Hong Kong and is not required to establish risk-weighted assets for HLA from 1st January 2016 under the phase-in arrangement.

During the period, the Company has complied with all of the externally imposed capital requirements set by the HKMA.

# BANC OF AMERICA SECURITIES ASIA LIMITED

## UNAUDITED SUPPLEMENTARY INFORMATION

### *Capital base*

The capital base used in the calculation of the above capital adequacy ratios as at 30th June 2016 and 31st December 2015 and reported to the HKMA is analysed as follows:

	As at 30th June 2016 US\$'000	As at 31st December 2015 US\$'000
Components of capital base:		
Common Equity Tier 1:		
Paid up ordinary share capital	220,000	220,000
Disclosed reserves	43,597	43,304
Profit and loss account	498	293
	<u>          </u>	<u>          </u>
Total capital base	<u>264,095</u>	<u>263,597</u>

- i. Breakdown of the Company's regulatory capital as at 30th June 2016 and 31st December 2015

See Appendix 1 on pages 11 to 24.

- ii. Main features of issued Common Equity Tier 1 ("CET1") capital instrument outstanding as at 30th June 2016 and 31st December 2015

See Appendix 2 on pages 25 to 26. There had been no new issuance, reduction or material changes to the nature of the CET1 capital instrument for the six months ended 30th June 2016 and year ended 31st December 2015.

The Company did not have Additional Tier 1 or Tier 2 capital instruments as of 30th June 2016 and 31st December 2015.

- iii. Reconciliation between regulatory capital components to the Statement of Financial Position as at 30th June 2016 and 31st December 2015 (the "Reconciliation")

The Company's unaudited statement of financial position for accounting and regulatory purposes as at 30th June 2016 and 31st December 2015 were identical. See Appendix 1 for the Reconciliation on pages 11 to 24.



## BANC OF AMERICA SECURITIES ASIA LIMITED

### UNAUDITED SUPPLEMENTARY INFORMATION

#### ***Countercyclical capital buffer ratio***

With effect from 1st January 2016, the following countercyclical capital buffer is phased-in and the applicable ratio to the Company is as follows:

	As at 30th June 2016
Countercyclical capital buffer ("CCyB") ratio	<u>0%</u>

Geographical breakdown of the Company's risk-weighted amounts in relation to private sector credit exposures as at 30th June 2016 is disclosed in Appendix 3 on page 27.

#### ***Leverage ratio***

	As at 30th June 2016	As at 31st December 2015
Leverage ratio	99.94%	99.95%

#### ***Figures in US\$'000***

Tier 1 capital	264,095	263,597
Total exposures	264,245	263,729

Breakdown of the Company's leverage ratio exposure measures and reconciliation between the Company's statement of financial position to leverage ratio exposure measures as at 30th June 2016 and 31st December 2015 are disclosed in Appendix 4 on pages 28 to 29 and Appendix 5 on pages 30 to 31 respectively.

# BANC OF AMERICA SECURITIES ASIA LIMITED

## UNAUDITED SUPPLEMENTARY INFORMATION

(e) International claims

	Banks US\$'000
As at 30th June 2016	
Developed countries	
- United States	264,229
- New Zealand	16
	<hr/> 264,245 <hr/> <hr/>
As at 31st December 2015	
Developed countries	
- United States	263,713
- New Zealand	16
	<hr/> 263,729 <hr/> <hr/>

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 be reported individually if it constitutes 10% or more of the aggregated international claims.

As at 30th June 2016 and 31st December 2015, the Company did not have any claims on official sector, non-bank private sector and other institution.

## BANC OF AMERICA SECURITIES ASIA LIMITED

### UNAUDITED SUPPLEMENTARY INFORMATION

(f) 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 30th June 2016 and 31st December 2015, the Company did not have any Mainland activities to non-bank counterparties.

(g) Currency risk

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

Equivalent in US dollars	USD US\$'000	NZD US\$'000	Total US\$'000
30th June 2016			
Spot assets	264,214	16	264,230
Spot liabilities	(264,095)	-	(264,095)
	<hr/>	<hr/>	<hr/>
Net long/(short) position	119	16	135
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
31st December 2015			
Spot assets	263,628	16	263,644
Spot liabilities	(263,597)	-	(263,597)
	<hr/>	<hr/>	<hr/>
Net long/(short) position	31	16	47
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

As at 30th June 2016 and 31st December 2015, the Company did not have any net structural position.

# BANC OF AMERICA SECURITIES ASIA LIMITED

## UNAUDITED SUPPLEMENTARY INFORMATION

Appendix 1 - Breakdown of the Company's regulatory capital as at 30th June 2016

Transition Disclosures Template			Amounts subject to pre- Basel III treatment*	Cross Reference* to
<b>CET1 capital: instruments and reserves</b>				
1	Directly issued qualifying CET1 capital instruments plus any related share premium	220,000		(1)
2	Retained earnings	37,628		(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		
	<i>Public sector capital injections grandfathered until 1 January 2018</i>	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)	0		
6	<b>CET1 capital before regulatory deductions</b>	264,095		
<b>CET1 capital: regulatory deductions</b>				
7	Valuation adjustments	0		
8	Goodwill (net of associated deferred tax liability)	0		
9	Other intangible assets (net of associated deferred tax liability)	0	0	
10	Deferred tax assets net of deferred tax liabilities	0		
11	Cash flow hedge reserve	0		
12	Excess of total EL amount over total eligible provisions under the IRB approach	0	0	
13	Gain-on-sale arising from securitization transactions	0		
14	Gains and losses due to changes in own credit risk on fair valued liabilities	0	0	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	0	0	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	0	0	
17	Reciprocal cross-holdings in CET1 capital instruments	0	0	
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)	0	0	
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)	0	0	

## BANC OF AMERICA SECURITIES ASIA LIMITED

### UNAUDITED SUPPLEMENTARY INFORMATION

Appendix 1 - Breakdown of the Company's regulatory capital as at 30th June 2016 (cont'd)

20	Mortgage servicing rights (amount above 10% threshold)	Not applicable	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	Not applicable	
22	Amount exceeding the 15% threshold	Not applicable	
23	of which: significant investments in the common stock of financial sector entities	Not applicable	
24	of which: mortgage servicing rights	Not applicable	
25	of which: deferred tax assets arising from temporary differences	Not applicable	
26	National specific regulatory adjustments applied to CET1 capital	0	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	0	
26b	Regulatory reserve for general banking risks	0	
26c	Securitization exposures specified in a notice given by the Monetary Authority	0	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	0	
26e	Capital shortfall of regulated non-bank subsidiaries	0	0
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0	0
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	0	
28	<b>Total regulatory deductions</b> to CET1 capital	0	
29	<b>CET1 capital</b>	264,095	

# BANC OF AMERICA SECURITIES ASIA LIMITED

## UNAUDITED SUPPLEMENTARY INFORMATION

Appendix 1 - Breakdown of the Company's regulatory capital as at 30th June 2016 (cont'd)

AT1 capital: instruments		
30	Qualifying AT1 capital instruments plus any related share premium	0
31	of which: classified as equity under applicable accounting standards	0
32	of which: classified as liabilities under applicable accounting standards	0
33	<i>Capital instruments subject to phase out arrangements from AT1 capital</i>	0
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	0
35	<i>of which: AT1 capital instruments issued by subsidiaries subject to phase out arrangements</i>	0
36	<b>AT1 capital before regulatory deductions</b>	0
AT1 capital: regulatory deductions		
37	Investments in own AT1 capital instruments	0
38	Reciprocal cross-holdings in AT1 capital instruments	0
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)	0
40	Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0
41	National specific regulatory adjustments applied to AT1 capital	0
41a	Portion of deductions applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier 1 capital	0
i	of which: Excess of total EL amount over total eligible provisions under the IRB approach	0
ii	of which: Capital shortfall of regulated non-bank subsidiaries	0
iii	of which: Investments in own CET1 capital instruments	0
iv	of which: Reciprocal cross holdings in CET1 capital instruments issued by financial sector entities	0
v	of which: Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0

# BANC OF AMERICA SECURITIES ASIA LIMITED

## UNAUDITED SUPPLEMENTARY INFORMATION

Appendix 1 - Breakdown of the Company's regulatory capital as at 30th June 2016 (cont'd)

vi	of which: 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	0	
vii	of which: Significant 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	0	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	0	
43	<b>Total regulatory deductions to AT1 capital</b>	0	
44	<b>AT1 capital</b>	0	
45	<b>Tier 1 capital (Tier 1 = CET1 + AT1)</b>	264,095	
<b>Tier 2 capital: instruments and provisions</b>			
46	Qualifying Tier 2 capital instruments plus any related share premium	0	
47	<i>Capital instruments subject to phase out arrangements from Tier 2 capital</i>	0	
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)	0	
49	<i>of which: capital instruments issued by subsidiaries subject to phase out arrangements</i>	0	
50	Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	0	
51	<b>Tier 2 capital before regulatory deductions</b>	0	
<b>Tier 2 capital: regulatory deductions</b>			
52	Investments in own Tier 2 capital instruments	0	0
53	Reciprocal cross-holdings in Tier 2 capital instruments	0	0
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)	0	0
55	Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	0

# BANC OF AMERICA SECURITIES ASIA LIMITED

## UNAUDITED SUPPLEMENTARY INFORMATION

Appendix 1 - Breakdown of the Company's regulatory capital as at 30th June 2016 (cont'd)

56	National specific regulatory adjustments applied to Tier 2 capital	0
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	0
56b	Portion of deductions applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier 2 capital	0
i	of which: Excess of total EL amount over total eligible provisions under the IRB approach	0
ii	of which: Capital shortfall of regulated non-bank subsidiaries	0
iii	of which: Investments in own CET1 capital instruments	0
iv	of which: Reciprocal cross holdings in CET1 capital instruments issued by financial sector entities	0
v	of which: Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0
vi	of which: 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	0
vii	of which: Significant 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	0
57	<b>Total regulatory deductions to Tier 2 capital</b>	0
58	<b>Tier 2 capital</b>	0
59	<b>Total capital (Total capital = Tier 1 + Tier 2)</b>	264,095
59a	Deduction items under Basel III which during transitional period remain subject to risk-weighting, based on pre-Basel III treatment	
i	of which: Mortgage servicing rights	0
ii	of which: Defined benefit pension fund net assets	0
iii	of which: Investments in own CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments	0



# BANC OF AMERICA SECURITIES ASIA LIMITED

## UNAUDITED SUPPLEMENTARY INFORMATION

Appendix 1 - Breakdown of the Company's regulatory capital as at 30th June 2016 (cont'd)

iv	of which: Capital investment in a connected company which is a commercial entity	0
v	of which: 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	0
vi	of which: Significant 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	0
60	<b>Total risk weighted assets</b>	53,904
<b>Capital ratios (as a percentage of risk weighted assets)</b>		
61	CET1 capital ratio	489.93%
62	Tier 1 capital ratio	489.93%
63	Total capital ratio	489.93%
64	Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3A, or s.3B, as the case requires, of the BCR plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB or D-SIB requirements)	0.00%
65	<i>of which: capital conservation buffer requirement</i>	0.00%
66	<i>of which: bank specific countercyclical buffer requirement</i>	0.00%
67	<i>of which: G-SIB or D-SIB buffer requirement</i>	0.00%
68	CET1 capital surplus over the minimum CET1 requirement and any CET1 capital used to meet the Tier 1 and Total capital requirement under s.3A, or s.3B, as the case requires, of the BCR	0.00%
<b>National minima (if different from Basel 3 minimum)</b>		
69	National CET1 minimum ratio	Not applicable
70	National Tier 1 minimum ratio	Not applicable
71	National Total capital minimum ratio	Not applicable

# BANC OF AMERICA SECURITIES ASIA LIMITED

## UNAUDITED SUPPLEMENTARY INFORMATION

Appendix 1 - Breakdown of the Company's regulatory capital as at 30th June 2016 (cont'd)

<b>Amounts below the thresholds for deduction (before risk weighting)</b>		
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	0
73	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0
74	Mortgage servicing rights (net of related tax liability)	Not applicable
75	Deferred tax assets arising from temporary differences (net of related tax liability)	Not applicable
<b>Applicable caps on the inclusion of provisions in Tier 2 capital</b>		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the basic approach and the standardized (credit risk) approach (prior to application of cap)	0
77	Cap on inclusion of provisions in Tier 2 under the basic approach and the standardized (credit risk) approach	0
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach (prior to application of cap)	0
79	Cap for inclusion of provisions in Tier 2 under the IRB approach	0
<b>Capital instruments subject to phase-out arrangements</b>		
80	<i>Current cap on CET1 capital instruments subject to phase out arrangements</i>	Not applicable
81	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	Not applicable
82	<i>Current cap on AT1 capital instruments subject to phase out arrangements</i>	0
83	<i>Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)</i>	0
84	<i>Current cap on Tier 2 capital instruments subject to phase out arrangements</i>	0
85	<i>Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)</i>	0

\* This refers to the position under the Banking (Capital) Rules in force on 31st December 2012.

### **Abbreviations:**

CET1: Common Equity Tier 1

AT1: Additional Tier 1

# BANC OF AMERICA SECURITIES ASIA LIMITED

## UNAUDITED SUPPLEMENTARY INFORMATION

Appendix 1 - Breakdown of the Company's regulatory capital as at 31st December 2015

Transition Disclosures Template			Amounts subject to pre- Basel III treatment*	Cross Reference* to
<b>CET1 capital: instruments and reserves</b>				
1	Directly issued qualifying CET1 capital instruments plus any related share premium	220,000		(1)
2	Retained earnings	37,130		(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		
	<i>Public sector capital injections grandfathered until 1 January 2018</i>	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)	0		
6	<b>CET1 capital before regulatory deductions</b>	263,597		
<b>CET1 capital: regulatory deductions</b>				
7	Valuation adjustments	0		
8	Goodwill (net of associated deferred tax liability)	0		
9	Other intangible assets (net of associated deferred tax liability)	0	0	
10	Deferred tax assets net of deferred tax liabilities	0		
11	Cash flow hedge reserve	0		
12	Excess of total EL amount over total eligible provisions under the IRB approach	0	0	
13	Gain-on-sale arising from securitization transactions	0		
14	Gains and losses due to changes in own credit risk on fair valued liabilities	0	0	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	0	0	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	0	0	
17	Reciprocal cross-holdings in CET1 capital instruments	0	0	
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)	0	0	
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)	0	0	

## BANC OF AMERICA SECURITIES ASIA LIMITED

### UNAUDITED SUPPLEMENTARY INFORMATION

Appendix 1 - Breakdown of the Company's regulatory capital as at 31st December 2015 (cont'd)

20	Mortgage servicing rights (amount above 10% threshold)	Not applicable	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	Not applicable	
22	Amount exceeding the 15% threshold	Not applicable	
23	of which: significant investments in the common stock of financial sector entities	Not applicable	
24	of which: mortgage servicing rights	Not applicable	
25	of which: deferred tax assets arising from temporary differences	Not applicable	
26	National specific regulatory adjustments applied to CET1 capital	0	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	0	
26b	Regulatory reserve for general banking risks	0	
26c	Securitization exposures specified in a notice given by the Monetary Authority	0	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	0	
26e	Capital shortfall of regulated non-bank subsidiaries	0	0
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0	0
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	0	
28	<b>Total regulatory deductions</b> to CET1 capital	0	
29	<b>CET1 capital</b>	263,597	

# BANC OF AMERICA SECURITIES ASIA LIMITED

## UNAUDITED SUPPLEMENTARY INFORMATION

Appendix 1 - Breakdown of the Company's regulatory capital as at 31st December 2015 (cont'd)

AT1 capital: instruments		
30	Qualifying AT1 capital instruments plus any related share premium	0
31	of which: classified as equity under applicable accounting standards	0
32	of which: classified as liabilities under applicable accounting standards	0
33	<i>Capital instruments subject to phase out arrangements from AT1 capital</i>	0
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	0
35	<i>of which: AT1 capital instruments issued by subsidiaries subject to phase out arrangements</i>	0
36	<b>AT1 capital before regulatory deductions</b>	0
AT1 capital: regulatory deductions		
37	Investments in own AT1 capital instruments	0
38	Reciprocal cross-holdings in AT1 capital instruments	0
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)	0
40	Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0
41	National specific regulatory adjustments applied to AT1 capital	0
41a	Portion of deductions applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier 1 capital	0
i	of which: Excess of total EL amount over total eligible provisions under the IRB approach	0
ii	of which: Capital shortfall of regulated non-bank subsidiaries	0
iii	of which: Investments in own CET1 capital instruments	0
iv	of which: Reciprocal cross holdings in CET1 capital instruments issued by financial sector entities	0
v	of which: Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0

# BANC OF AMERICA SECURITIES ASIA LIMITED

## UNAUDITED SUPPLEMENTARY INFORMATION

Appendix 1 - Breakdown of the Company's regulatory capital as at 31st December 2015 (cont'd)

vi	of which: 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	0	
vii	of which: Significant 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	0	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	0	
43	<b>Total regulatory deductions to AT1 capital</b>	0	
44	<b>AT1 capital</b>	0	
45	<b>Tier 1 capital (Tier 1 = CET1 + AT1)</b>	263,597	
<b>Tier 2 capital: instruments and provisions</b>			
46	Qualifying Tier 2 capital instruments plus any related share premium	0	
47	<i>Capital instruments subject to phase out arrangements from Tier 2 capital</i>	0	
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)	0	
49	<i>of which: capital instruments issued by subsidiaries subject to phase out arrangements</i>	0	
50	Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	0	
51	<b>Tier 2 capital before regulatory deductions</b>	0	
<b>Tier 2 capital: regulatory deductions</b>			
52	Investments in own Tier 2 capital instruments	0	0
53	Reciprocal cross-holdings in Tier 2 capital instruments	0	0
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)	0	0
55	Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	0

# BANC OF AMERICA SECURITIES ASIA LIMITED

## UNAUDITED SUPPLEMENTARY INFORMATION

Appendix 1 - Breakdown of the Company's regulatory capital as at 31st December 2015 (cont'd)

56	National specific regulatory adjustments applied to Tier 2 capital	0
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	0
56b	Portion of deductions applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier 2 capital	0
i	of which: Excess of total EL amount over total eligible provisions under the IRB approach	0
ii	of which: Capital shortfall of regulated non-bank subsidiaries	0
iii	of which: Investments in own CET1 capital instruments	0
iv	of which: Reciprocal cross holdings in CET1 capital instruments issued by financial sector entities	0
v	of which: Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0
vi	of which: 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	0
vii	of which: Significant 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	0
57	<b>Total regulatory deductions to Tier 2 capital</b>	0
58	<b>Tier 2 capital</b>	0
59	<b>Total capital (Total capital = Tier 1 + Tier 2)</b>	263,597
59a	Deduction items under Basel III which during transitional period remain subject to risk-weighting, based on pre-Basel III treatment	
i	of which: Mortgage servicing rights	0
ii	of which: Defined benefit pension fund net assets	0
iii	of which: Investments in own CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments	0

## BANC OF AMERICA SECURITIES ASIA LIMITED

### UNAUDITED SUPPLEMENTARY INFORMATION

Appendix 1 - Breakdown of the Company's regulatory capital as at 31st December 2015 (cont'd)

iv	of which: Capital investment in a connected company which is a commercial entity	0
v	of which: 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	0
vi	of which: Significant 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	0
60	<b>Total risk weighted assets</b>	53,620
<b>Capital ratios (as a percentage of risk weighted assets)</b>		
61	CET1 capital ratio	491.60%
62	Tier 1 capital ratio	491.60%
63	Total capital ratio	491.60%
64	Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3A, or s.3B, as the case requires, of the BCR plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB or D-SIB requirements)	0.00%
65	<i>of which: capital conservation buffer requirement</i>	0.00%
66	<i>of which: bank specific countercyclical buffer requirement</i>	0.00%
67	<i>of which: G-SIB or D-SIB buffer requirement</i>	0.00%
68	CET1 capital surplus over the minimum CET1 requirement and any CET1 capital used to meet the Tier 1 and Total capital requirement under s.3A, or s.3B, as the case requires, of the BCR	0.00%
<b>National minima (if different from Basel 3 minimum)</b>		
69	National CET1 minimum ratio	Not applicable
70	National Tier 1 minimum ratio	Not applicable
71	National Total capital minimum ratio	Not applicable



# BANC OF AMERICA SECURITIES ASIA LIMITED

## UNAUDITED SUPPLEMENTARY INFORMATION

Appendix 1 - Breakdown of the Company's regulatory capital as at 31st December 2015 (cont'd)

<b>Amounts below the thresholds for deduction (before risk weighting)</b>		
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	0
73	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0
74	Mortgage servicing rights (net of related tax liability)	Not applicable
75	Deferred tax assets arising from temporary differences (net of related tax liability)	Not applicable
<b>Applicable caps on the inclusion of provisions in Tier 2 capital</b>		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the basic approach and the standardized (credit risk) approach (prior to application of cap)	0
77	Cap on inclusion of provisions in Tier 2 under the basic approach and the standardized (credit risk) approach	0
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach (prior to application of cap)	0
79	Cap for inclusion of provisions in Tier 2 under the IRB approach	0
<b>Capital instruments subject to phase-out arrangements</b>		
80	<i>Current cap on CET1 capital instruments subject to phase out arrangements</i>	Not applicable
81	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	Not applicable
82	<i>Current cap on AT1 capital instruments subject to phase out arrangements</i>	0
83	<i>Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)</i>	0
84	<i>Current cap on Tier 2 capital instruments subject to phase out arrangements</i>	0
85	<i>Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)</i>	0

\* This refers to the position under the Banking (Capital) Rules in force on 31st December 2012.

### **Abbreviations:**

CET1: Common Equity Tier 1

AT1: Additional Tier 1

# BANC OF AMERICA SECURITIES ASIA LIMITED

## UNAUDITED SUPPLEMENTARY INFORMATION

Appendix 2 - Main features of issued Common Equity Tier 1 (“CET1”) capital instrument outstanding as at 30th June 2016 and 31st December 2015

### Main Features Template

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
	<i>Regulatory treatment</i>	
4	Transitional Basel III rules <sup>#</sup>	Common Equity Tier 1
5	Post-transitional Basel III rules <sup>+</sup>	Ineligible
6	Eligible at solo*/group/group & solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	USD 220 mil
9	Par value of instrument	USD 220 mil
10	Accounting classification	Shareholders' equity
11	Original date of issuance	May 22, 1973
12	Perpetual or dated	Perpetual
13	Original maturity date	NA
14	Issuer call subject to prior supervisory approval	NA
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

## BANC OF AMERICA SECURITIES ASIA LIMITED

### UNAUDITED SUPPLEMENTARY INFORMATION

Appendix 2 - Main features of issued Common Equity Tier 1 (“CET1”) capital instrument outstanding as at 30th June 2016 and 31st December 2015(cont’d)

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

Footnote

:

- # *Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules*
- + *Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules*
- \* *Include solo-consolidated*

**BANC OF AMERICA SECURITIES ASIA LIMITED**

**UNAUDITED SUPPLEMENTARY INFORMATION**

Appendix 3 - Geographical breakdown of risk-weighted amounts (“RWA”) in relation to private sector credit exposures as at 30th June 2016

		<b>a</b>	<b>b</b>	<b>c</b>	<b>d</b>
	<b>Jurisdiction ("J")</b>	<b>Applicable JCCyB ratio in effect</b>	<b>Total RWA used in computation of CCyB ratio of AI US\$'000</b>	<b>CCyB ratio of AI</b>	<b>CCyB amount of AI US\$'000</b>
1					
	Total		0	0%	0

# BANC OF AMERICA SECURITIES ASIA LIMITED

## UNAUDITED SUPPLEMENTARY INFORMATION

Appendix 4 - Leverage Ratio Exposure Measures as at 30th June 2016

	Item	Leverage ratio framework US\$'000
<b>On-balance sheet exposures</b>		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	264,245
2	Less: Asset amounts deducted in determining Basel III Tier 1 capital (reported as negative amounts)	0
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	264,245
<b>Derivative exposures</b>		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	0
5	Add-on amounts for PFE associated with all derivatives transactions	0
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0
7	Less: Deductions of receivables assets for cash variation margin provided in derivatives transactions (reported as negative amounts)	0
8	Less: Exempted CCP leg of client-cleared trade exposures (reported as negative amounts)	0
9	Adjusted effective notional amount of written credit derivatives	0
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivatives (reported as negative amounts)	0
11	Total derivative exposures (sum of lines 4 to 10)	0
<b>Securities financing transaction exposures</b>		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	0
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets (reported as negative amounts)	0
14	CCR exposure for SFT assets	0
15	Agent transaction exposures	0
16	Total securities financing transaction exposures (sum of lines 12 to 15)	0
<b>Other off-balance sheet exposures</b>		
17	Off-balance sheet exposure at gross notional amount	0
18	Less: Adjustments for conversion to credit equivalent amounts (reported as negative amounts)	0
19	Off-balance sheet items (sum of lines 17 and 18)	0
<b>Capital and total exposures</b>		
20	Tier 1 capital	264,095
21	Total exposures (sum of lines 3, 11, 16 and 19)	264,245
<b>Leverage ratio</b>		
22	<b>Basel III leverage ratio</b>	<b>99.94%</b>

# BANC OF AMERICA SECURITIES ASIA LIMITED

## UNAUDITED SUPPLEMENTARY INFORMATION

Appendix 4 - Leverage Ratio Exposure Measures as at 31st December 2015

	Item	Leverage ratio framework US\$'000
<b>On-balance sheet exposures</b>		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	263,729
2	Less: Asset amounts deducted in determining Basel III Tier 1 capital (reported as negative amounts)	0
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	263,729
<b>Derivative exposures</b>		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	0
5	Add-on amounts for PFE associated with all derivatives transactions	0
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0
7	Less: Deductions of receivables assets for cash variation margin provided in derivatives transactions (reported as negative amounts)	0
8	Less: Exempted CCP leg of client-cleared trade exposures (reported as negative amounts)	0
9	Adjusted effective notional amount of written credit derivatives	0
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivatives (reported as negative amounts)	0
11	Total derivative exposures (sum of lines 4 to 10)	0
<b>Securities financing transaction exposures</b>		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	0
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets (reported as negative amounts)	0
14	CCR exposure for SFT assets	0
15	Agent transaction exposures	0
16	Total securities financing transaction exposures (sum of lines 12 to 15)	0
<b>Other off-balance sheet exposures</b>		
17	Off-balance sheet exposure at gross notional amount	0
18	Less: Adjustments for conversion to credit equivalent amounts (reported as negative amounts)	0
19	Off-balance sheet items (sum of lines 17 and 18)	0
<b>Capital and total exposures</b>		
20	Tier 1 capital	263,597
21	Total exposures (sum of lines 3, 11, 16 and 19)	263,729
<b>Leverage ratio</b>		
22	<b>Basel III leverage ratio</b>	<b>99.95%</b>

## BANC OF AMERICA SECURITIES ASIA LIMITED

### UNAUDITED SUPPLEMENTARY INFORMATION

Appendix 5 - Reconciliation between the Company's unaudited statements of financial position to Leverage Ratio Exposure Measures as at 30th June 2016

	<b>Item</b>	<b>Leverage ratio framework US\$'000</b>
1	Total consolidated assets as per published financial statements	264,245
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	0
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0
4	Adjustments for derivative financial instruments	0
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	0
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	0
7	Other adjustments	0
8	<b>Leverage ratio exposure</b>	<b>264,245</b>

## BANC OF AMERICA SECURITIES ASIA LIMITED

### UNAUDITED SUPPLEMENTARY INFORMATION

Appendix 5 - Reconciliation between the Company's unaudited statements of financial position to Leverage Ratio Exposure Measures as at 31st December 2015

	<b>Item</b>	<b>Leverage ratio framework US\$'000</b>
1	Total consolidated assets as per published financial statements	263,729
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	0
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0
4	Adjustments for derivative financial instruments	0
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	0
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	0
7	Other adjustments	0
8	<b>Leverage ratio exposure</b>	<b>263,729</b>