



BANC OF AMERICA SECURITIES ASIA LIMITED

**Interim Financial Disclosures Statements (unaudited)
for the period ended 30 June 2021**

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2021

The reports and statements set out below comprise the unaudited interim financial statements :

Contents	Page(s)
Condensed statement of comprehensive income (unaudited)	1
Condensed statement of financial position (unaudited)	2
Condensed statement of changes in equity (unaudited)	3
Condensed statement of cash flows (unaudited)	4
Notes to the interim financial statements (unaudited)	5 - 11
Supplementary financial information (unaudited)	12 - 28

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2021

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE PERIOD ENDED 30 JUNE 2021

	Note	JUN 30, 2021 US\$'000	JUN 30, 2020 US\$'000
Interest income		84	590
Interest expense		—	(267)
Net interest income	3,16	84	323
Fee and commission expense	4	(35)	(31)
Net trading income	5	489	4,359
Other operating income	6,16	4,526	1,808
Operating income		5,064	6,459
Operating expenses	7	(2,365)	(4,203)
Profit before taxation		2,699	2,256
Tax expense	8	(602)	(378)
Profit for the period		2,097	1,878
Total comprehensive profit for the period ended 30th June		2,097	1,878
Attributable to			
Equity holders		2,097	1,878

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2021

CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 30 JUNE 2021

	Note	JUN 30, 2021 US\$'000	DEC 31, 2020 US\$'000	Cross references to definition of capital components in supplementary financial information
Assets				
Cash and balances with banks	10	511,488	164,035	
Financial assets at fair value through profit or loss	11	31,019	377,721	
Derivative financial instruments	12,15	28	6,220	
Amount due from intermediate holding company	15	802	11,873	
Amount due from affiliates	15	183	784	
Current income tax assets		—	108	
Deferred income tax assets	9	682	692	(4)
Total assets		544,202	561,433	
Liabilities				
Deposits and balances from banks		531	551	
Derivative financial instruments	12,15	36	19,407	
Amount due to intermediate holding company	15	538	374	
Amount due to affiliates	15	193	247	
Current income tax liabilities		207	—	
Other liabilities	13	404	658	
Total liabilities		1,909	21,237	
Equity				
Share capital		491,442	491,442	(1)
Retained earnings		44,384	42,287	(2)
Other reserves	14	6,467	6,467	(3)
Total equity		542,293	540,196	
Total equity and liabilities		544,202	561,433	

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2021

CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) AS AT 30 JUNE 2021

	Share capital US\$'000	Retained earnings US\$'000	Other reserves US\$'000	Total US\$'000
Beginning balance at 1 January 2020	491,442	37,674	6,467	535,583
Total comprehensive profit for the period	—	1,878	—	1,878
Ending balance at 30 June 2020	<u>491,442</u>	<u>39,552</u>	<u>6,467</u>	<u>537,461</u>
Beginning balance at 1 January 2021	491,442	42,287	6,467	540,196
Total comprehensive profit for the period	—	2,097	—	2,097
Ending balance at 30 June 2021	<u>491,442</u>	<u>44,384</u>	<u>6,467</u>	<u>542,293</u>

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2021

CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE PERIOD ENDED 30 JUNE 2021

	JUN 30, 2021 US\$'000	JUN 30, 2020 US\$'000
Cash flows from operating activities		
Profit before taxation	2,699	2,256
Adjustment for:		
Net interest income	(84)	(323)
Net interest income on trading	(678)	(156)
Operating profit before movements in working capital	1,937	1,777
Change in financial assets at fair value through profit or loss	346,267	(24,421)
Change in derivative financial instruments	(13,179)	(7,796)
Change in deposit and balance from banks	(20)	(30,000)
Change in amount due from / to intermediate holding company	11,235	5,062
Change in amount due from / to affiliates	547	(1,339)
Change in other liabilities	(254)	(727)
Cash generated / (used) in operating activities	346,533	(57,444)
Interest received	1,330	746
Interest paid	(133)	(312)
Income taxes paid	(277)	(1,127)
Net cash generated / (used) in operating activities	347,453	(58,137)
Net increase / (decrease) in cash and cash equivalents	347,453	(58,137)
Cash and cash equivalents at 1st January	155,952	270,169
Cash and cash equivalents at the end of period	503,405	212,032
Analysis of the balances of cash and cash equivalents:		
Cash and balances with banks	511,488	228,198
Deposit and balances from bank with original maturity more than 3 months	(8,083)	(16,166)
Cash and cash equivalents at the end of period	503,405	212,032

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2021

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)

1. General information

Banc of America Securities Asia Limited (“the Company”) trades Fixed Income and Currency products. The immediate holding company is Bank of America, National Association and 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 incorporated and domiciled in Hong Kong, regulated by Hong Kong Monetary Authority (“HKMA”) and Securities and Futures Commission (“SFC”). The address of its registered office is 52/F, Cheung Kong Center, 2 Queen’s Road Central, Central, Hong Kong.

The 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 2021 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 2020.

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

3. Net interest income

	JUN 30, 2021 US\$'000	JUN 30, 2020 US\$'000
<u>Interest income:</u>		
Placements with banks	84	590
<u>Interest expense:</u>		
Deposits and balances from banks	—	(267)
Net interest income	<u>84</u>	<u>323</u>

4. Fee & commission expense

	JUN 30, 2021 US\$'000	JUN 30, 2020 US\$'000
Securities custodian fees	34	30
Other fees paid	1	1
Fee and commission expense	<u>35</u>	<u>31</u>

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

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2021

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)

5. Net trading income

	JUN 30, 2021 US\$'000	JUN 30, 2020 US\$'000
Net foreign exchange (loss) / gain	(21)	4,203
Interest income from financial assets at fair value through profit or loss	679	156
Net loss from financial instruments at fair value through profit or loss	(169)	—
	<u>489</u>	<u>4,359</u>

6. Other operating income

	JUN 30, 2021 US\$'000	JUN 30, 2020 US\$'000
Service fee income (note 16)	4,526	1,808
	<u>4,526</u>	<u>1,808</u>

7. Operating expenses

	JUN 30, 2021 US\$'000	JUN 30, 2020 US\$'000
Employee benefit expenses	1,173	3,440
Directors' fees	76	76
Legal and professional fees	10	7
Licence fee	11	—
Service fee expenses (note 16)	879	447
Others	216	233
	<u>2,365</u>	<u>4,203</u>

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2021

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)

8. Taxation

Hong Kong profits tax has been calculated at the rate of 16.5% (June 30, 2020: 16.5%) on the estimated assessable profit for the period.

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

	JUN 30, 2021 US\$'000	JUN 30, 2020 US\$'000
Current income tax:		
- Hong Kong profits tax	408	409
- Withholding Tax	22	2
- Adjustment in respect of prior years	163	—
Deferred tax		
- Reversal of temporary differences	9	(33)
Taxation expense	<u>602</u>	<u>378</u>

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

	JUN 30, 2021 US\$'000	JUN 30, 2020 US\$'000
Profit before taxation	<u>2,699</u>	<u>2,256</u>
Calculated at Hong Kong profits tax rate of 16.5%	<u>445</u>	<u>372</u>
Tax effect:		
Expenses not deductible for tax purposes	(9)	41
Income not taxable for tax purposes	(28)	(4)
Temporary differences reversal	9	(33)
Withholding Tax	22	2
Adjustment in respect of prior years	163	—
Taxation expense	<u>602</u>	<u>378</u>

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2021

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)

9. 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% (December 31, 2020: 16.5%). The movement in the deferred income tax assets/ (liabilities) during the period is as follows:

	Depreciation allowances US\$'000	Share-based payment charge and accrual US\$'000	Total US\$'000
Beginning balance at 1 January 2020	(2)	1,362	1,360
Charge to the statement of comprehensive income for the year	—	(675)	(675)
Foreign exchange difference	—	7	7
Ending balance at 31 December 2020	(2)	694	692
Charge to the statement of comprehensive income for the period	—	(9)	(9)
Foreign exchange difference	—	(1)	(1)
Ending balance at 30 June 2021	(2)	684	682

10. Cash and balances with banks

	JUN 30, 2021 US\$'000	DEC 31, 2020 US\$'000
Demand balances with banks	124,403	126,866
Deposits at call	387,085	37,169
	<u>511,488</u>	<u>164,035</u>

11. Financial assets at fair value through profit or loss

	JUN 30, 2021 US\$'000	DEC 31, 2020 US\$'000
Debt securities, at fair value:		
Government bonds	31,019	377,721
	<u>31,019</u>	<u>377,721</u>

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2021

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)

12. Derivative financial instruments

The Company uses the following derivative instruments for trading purpose.

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

	Notional Amount US\$'000	Fair Value	
		Assets US\$'000	Liabilities US\$'000
At 30 June 2021			
Derivatives held for trading			
- Exchange rate contracts			
Currency Swaps	31,060	28	(36)
At 31 December 2020			
Derivatives held for trading			
- Exchange rate contracts			
Currency Swaps	526,851	6,220	(19,407)

13. Other liabilities

	JUN 30, 2021 US\$'000	DEC 31, 2020 US\$'000
Other payable	404	658

14. Other reserves

	Share-based payments reserve US\$'000
At 1 January 2020 and 31 December 2020	6,467
Directors' and employees' stocks and stock options granted	—
At 30 June 2021	6,467

Share-based payments reserve is not available for distribution.

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2021

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)

15. Balances with group companies

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

	JUN 30, 2021 US\$'000	DEC 31, 2020 US\$'000
<u>Assets</u>		
Cash and balance with bank		
Demand balances with banks	112,391	112,664
Deposits at call	387,085	37,169
	<u>499,476</u>	<u>149,833</u>
Derivative financial instruments - Assets	28	6,220
Amount due from intermediate holding company	802	11,873
Amount due from affiliates	183	784
	<u>500,489</u>	<u>168,710</u>
<u>Liabilities</u>		
Deposits and balances from banks	528	546
Derivative financial instruments - Liabilities	36	19,407
Amount due to intermediate holding company	538	374
Amount due to affiliates	193	247
	<u>1,295</u>	<u>20,574</u>

16. Related party transactions

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	JUN 30, 2021 US\$'000	JUN 30, 2020 US\$'000
<u>Revenue</u>			
Interest income on placements	(i)	84	590
Service fee income	(ii)	4,526	1,808
<u>Expenses</u>			
Interest expense on deposits	(iii)	—	(259)
Service fee expenses	(iv)	(879)	(447)

Note:

- (i) The interest income was generated from placements with group companies. The interest rates are similar to that which would normally apply to customers of comparable standing.

Banc of America Securities Asia Limited

Interim Financial Statements (Unaudited) for the period ended 30 June 2021

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)

16. Related party transactions (Continued)

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

The amounts paid to holding companies include amount charged under the Recharge Agreement for the Company's participation in the employee compensation plans. The fee is determined based on the change of the fair value between the grant dates and the vesting dates for shares; and between the grant dates and the exercise dates for options and the allocation of fair value for employees who rendered services to the Company and other group companies during the life of the awards. The amount included in Service fee expense is a net service fee of US\$ 81,000 (JUN 30, 2020: The amount included in Service fee income is a net service fee of US\$ 2,089,000).

(b) Derivatives transactions

	Note	JUN 30, 2021 US\$'000	DEC 31, 2020 US\$'000
Exchange rate contracts with group companies for trading purpose	(i)	31,060	526,851

Note:

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

17. Contingent liabilities and commitments

At 30 June 2021 and 31 December 2020, the Company did not have any contingent liabilities and commitments.

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

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

1. Key Prudential Ratios:

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

		as at 30 Jun 2021	as at 31 Mar 2021	as at 31 Dec 2020	as at 30 Sep 2020	as at 30 Jun 2020
	Regulatory capital (amount US\$'000)					
1	Common Equity Tier 1 (CET1)	541,611	541,705	539,504	538,256	536,056
2	Tier 1	541,611	541,705	539,504	538,256	536,056
3	Total capital	541,611	541,705	539,504	538,256	536,056
	RWA (amount US\$'000)					
4	Total RWA	130,106	104,234	79,988	113,666	144,349
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	416.29	519.70	674.48	473.54	371.36
6	Tier 1 ratio (%)	416.29	519.70	674.48	473.54	371.36
7	Total capital ratio (%)	416.29	519.70	674.48	473.54	371.36
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50	2.50
9	Countercyclical capital buffer requirement (%)	—	—	—	0.02	0.83
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 (%)	2.50	2.50	2.50	2.52	3.33
12	CET1 available after meeting the AI's minimum capital requirements (%)	405.79	509.20	663.98	463.02	360.03
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure (amount US\$'000)	543,633	543,802	562,848	551,690	649,908
14	LR (%)	99.63	99.61	95.85	97.57	82.48
	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 (%)	28,952.88	484,275.17	13,958.79	22,652.19	252,336.43
	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

As of June 30, 2021, the LMR was 28,952.88%, decreased by 455,322.29% when compared to March 31, 2021. This is mainly driven by major decrease in average liquefiable assets during the quarter.

As of June 30, 2021, the CAR was 416.29%, decreased by 103.41% when compared to March 31, 2021. This is primary driven by higher credit risk exposure as compared to previous quarter.

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")

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

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 US\$'000		Minimum capital requirements US\$'000
		As at 30 Jun 2021	As at 31 Mar 2021	As at 30 Jun 2021
1	Credit risk for non-securitization exposures	104,975	82,944	8,398
2	Of which STC approach	104,975	82,944	8,398
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	67	238	5
7	Of which SA-CCR approach	32	—	2
7a	Of which CEM	—	111	—
8	Of which IMM(CCR) approach	—	—	—
9	Of which other	—	—	—
10	CVA Risk	35	127	3
11	Equity positions in banking book under the simple risk-weight method and internal models method	—	—	—
12	Collective investment scheme ("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 (including IAA)	—	—	—
19	Of which SEC-SA	—	—	—
19a	Of which SEC-FBA	—	—	—
20	Market risk	2,997	1,835	240
21	Of which STM approach	2,997	1,835	240
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	22,067	19,217	1,765
24a	Sovereign concentration risk	—	—	—

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

25	Amounts below the thresholds for deduction (subject to 250% RW)	—	—	—
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	130,106	104,234	10,408

3. Composition of Regulatory Capital

3.1 Financial Statements and Regulatory Scope of Consolidation

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

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

The following table sets out the detailed composition of the Company's regulatory capital as at 30 Jun 2021.

		US\$'000	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
CET1 capital: instruments and reserves			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	491,442	(1)
2	Retained earnings	44,384	(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	542,293	
CET1 capital: regulatory deductions			
7	Valuation adjustments	—	
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	682	(4)
11	Cash flow hedge reserve	—	
12	Excess of total EL amount over total eligible provisions under the IRB approach	—	

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

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 LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	—	
19	Significant LAC 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 MA	—	
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	541,611	
	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>	—	

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

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 LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	—	
40	Significant LAC 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)	541,611	
	Tier 2 capital: instruments and provisions		
46	Qualifying Tier 2 capital instruments plus any related share premium	—	
47	Capital instruments subject to phase out arrangements from Tier 2 capital	—	
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 and non-capital LAC liabilities	—	
54	Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	—	
54a	Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as “section 2 institution” under §2(1) of Schedule 4F to BCR only)	—	
55	Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	—	
55a	Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	—	
56	National specific regulatory adjustments applied to Tier 2 capital	—	

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

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 regulatory capital (TC = T1 + T2)	541,611	
60	Total RWA	130,106	
	Capital ratios (as a percentage of RWA)		
61	CET1 capital ratio	416.29 %	
62	Tier 1 capital ratio	416.29 %	
63	Total capital ratio	416.29 %	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	2.50 %	
65	<i>of which: capital conservation buffer requirement</i>	2.50 %	
66	<i>of which: bank specific countercyclical buffer requirement</i>	0.00 %	
67	<i>of which: higher loss absorbency requirement</i>	0.00 %	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	405.79 %	
	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 LAC investments in CET1, AT1 and Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation	—	
73	Significant LAC 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

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

82	Current cap on AT1 capital instruments subject to phase out arrangements	—	
83	Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)	—	
84	Current cap on Tier 2 capital instruments subject to phase out arrangements	—	
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)	—	

3.3 Main Features of Capital Instruments

The following is a summary of main features of the Company's issued Common Equity Tier 1 ("CET1") capital instrument outstanding as at 30 Jun 2021.

The Company did not have Additional Tier 1 or Tier 2 capital instruments as of 30 Jun 2021.

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
	Regulatory treatment	
4	Transitional Basel III rules	Common Equity Tier 1
5	Post-transitional Basel III rules	Common Equity Tier 1
6	Eligible at solo / group / solo & group	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
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Discretionary dividend amount

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

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 in the insolvency creditor hierarchy of the legal entity concerned)	No
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA

4. Countercyclical Capital Buffer

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

As at 30 Jun 2021					
	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect %	RWA used in computation of CCyB ratio US\$'000	AI Specific CCyB ratio %	CCyB amount US\$'000
1	United Kingdom (excludes Guernsey, Isle of Man and Jersey)	0.00%	92		
	Sum		92		
	Total		92	0.00%	-

Banc of America Securities Asia Limited

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 30 Jun 2021
1	Total consolidated assets as per published financial statements	544,202
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	—
2a	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	—
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	—
3a	Adjustments for eligible cash pooling transactions	—
4	Adjustments for derivative contracts	113
5	Adjustment for SFTs (i.e. repos and similar secured lending)	—
6	Adjustment for off-balance sheet (“OBS”) items (i.e. conversion to credit equivalent amounts of OBS exposures)	—
6a	Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from exposure measure	—
7	Other adjustments	(682)
8	Leverage ratio exposure measure	543,633

5.2 Leverage Ratio (“LR”)

	Item	Leverage ratio framework US\$'000 30 Jun 2021	Leverage ratio framework US\$'000 31 Mar 2021
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	544,202	543,755
2	Less: Asset amounts deducted in determining Tier 1 capital	(682)	(519)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	543,520	543,236
Derivative exposures			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	—	—

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

5	Add-on amounts for PFE associated with all derivative contracts	113	566
6	Gross-up for collateral provided in respect of derivative contracts where deducted from the balance sheet assets pursuant to the applicable accounting framework	—	—
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	—	—
8	Less: Exempted CCP leg of client-cleared trade exposures	—	—
9	Adjusted effective notional amount of written credit derivatives contracts	—	—
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivative contracts	—	—
11	Total exposures arising from derivative contracts	113	566
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 exposures arising from SFTs	—	—
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	—	—
18	Less: Adjustments for conversion to credit equivalent amounts	—	—
19	Off-balance sheet items	—	—
Capital and total exposures			
20	Tier 1 capital	541,611	541,705
20a	Total exposures before adjustments for specific and collective provisions	543,633	543,802
20b	Adjustments for specific and collective provisions	—	—
21	Total exposures after adjustments for specific and collective provisions	543,633	543,802
Leverage ratio			
22	Leverage ratio	99.63 %	99.61 %

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

6. Credit Risk

6.1 Quantitative Disclosures

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

At 30 Jun 2021, 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

US\$'000		As of 30 Jun 2021					
		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	—	—	—	—	—	—
2	PSE exposures	—	—	—	—	—	—
2a	Of which: domestic PSEs	—	—	—	—	—	—
2b	Of which: foreign PSEs	—	—	—	—	—	—
3	Multilateral development bank exposures	—	—	—	—	—	—
4	Bank exposures	512,289	158	512,289	158	104,915	20
5	Securities firm exposures	183	—	183	—	92	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	Regulatory retail exposures	—	—	—	—	—	—
11	Residential mortgage loans	—	—	—	—	—	—
12	Other exposures which are not past due	—	—	—	—	—	—
13	Past due exposures	—	—	—	—	—	—
14	Significant exposures to commercial entities	—	—	—	—	—	—
15	Total	512,472	158	512,472	158	105,007	20

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

6.3 Credit Risk Exposures by Asset Classes and by Risk Weights – for STC Approach

US\$'000		As of 30 Jun 2021											Total credit risk exposures amount (post CCF and post CRM)
Risk Weight	Exposure class	0%	10%	20%	35%	50%	75%	100%	150%	250%	Others		
1	Sovereign exposures	—	—	—	—	—	—	—	—	—	—	—	
2	PSE exposures	—	—	—	—	—	—	—	—	—	—	—	
2a	Of which: domestic PSEs	—	—	—	—	—	—	—	—	—	—	—	
2b	Of which: foreign PSEs	—	—	—	—	—	—	—	—	—	—	—	
3	Multilateral development bank exposures	—	—	—	—	—	—	—	—	—	—	—	
4	Bank exposures	—	—	504,363	—	8,084	—	—	—	—	—	512,447	
5	Securities firm exposures	—	—	—	—	183	—	—	—	—	—	183	
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	Regulatory retail exposures	—	—	—	—	—	—	—	—	—	—	—	
11	Residential mortgage loans	—	—	—	—	—	—	—	—	—	—	—	
12	Other exposures which are not past due exposures	—	—	—	—	—	—	—	—	—	—	—	
13	Past due exposures	—	—	—	—	—	—	—	—	—	—	—	
14	Significant exposures to commercial entities	—	—	—	—	—	—	—	—	—	—	—	
15	Total	—	—	504,363	—	8,267	—	—	—	—	—	512,630	

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

7. Counterparty Credit Risk

7.1 Quantitative Disclosures

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

		Replacement cost (RC)	PFE	Effective EPE	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM	RWA
	As of 30 Jun 2021	US\$'000					
1	SA-CCR approach (for derivative contracts)	—	113		1.4	158	32
1a	CEM (for derivative contracts)	—	—		1.4	—	—
2	IMM (CCR) approach			—	—	—	—
3	Simple Approach (for SFTs)					—	—
4	Comprehensive Approach (for SFTs)					—	—
5	VaR (for SFTs)					—	—
6	Total						32

(b) CVA capital charge

		EAD post CRM	RWA
	As of 30 Jun 2021	US\$'000	
	Netting sets for which CVA capital charge is calculated by the advanced CVA method	—	—
1	(i) VaR (after application of multiplication factor if applicable)		—
2	(ii) Stressed VaR (after application of multiplication factor if applicable)		—
3	Netting sets for which CVA capital charge is calculated by the standardized CVA method	158	35
4	Total	158	35

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

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

As of 30 Jun 2021												US\$'000
	Risk Weight	0%	10 %	20 %	35 %	50 %	75 %	100 %	150 %	250 %	Others	Total default risk exposure after CRM
	Exposure class											
1	Sovereign exposures	—	—	—	—	—	—	—	—	—	—	—
2	PSE exposures	—	—	—	—	—	—	—	—	—	—	—
2a	Of which: domestic PSEs	—	—	—	—	—	—	—	—	—	—	—
2b	Of which: foreign PSEs	—	—	—	—	—	—	—	—	—	—	—
3	Multilateral development bank exposures	—	—	—	—	—	—	—	—	—	—	—
4	Bank exposures	—	—	158	—	—	—	—	—	—	—	158
5	Securities firm exposures	—	—	—	—	—	—	—	—	—	—	—
6	Corporate exposures	—	—	—	—	—	—	—	—	—	—	—
7	CIS exposures	—	—	—	—	—	—	—	—	—	—	—
8	Regulatory retail exposures	—	—	—	—	—	—	—	—	—	—	—
9	Residential mortgage loans	—	—	—	—	—	—	—	—	—	—	—
10	Other exposures which are not past due exposures	—	—	—	—	—	—	—	—	—	—	—
11	Significant exposures to commercial entities	—	—	—	—	—	—	—	—	—	—	—
12	Total	—	—	158	—	—	—	—	—	—	—	158

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

At 30 Jun 2021, the Company did not have any composition of collateral for counterparty default risk exposures.

(e) Credit-related derivatives contracts

At 30 Jun 2021, the Company did not have any credit-related derivatives contracts.

(f) Exposures to CCPs

At 30 Jun 2021, 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 Jun 2021, the Company did not have any Securitization Exposures.

9. Market Risk

9.1 Quantitative Disclosure

Market Risk under Standardized Approach

(US \$'000)		As at 30 Jun 2021
		RWA
	Outright product exposures	
1	Interest rate exposures (general and specific risk)	1,093
2	Equity exposures (general and specific risk)	-
3	Foreign exchange (including gold) exposures	1,904
4	Commodity exposures	-
	Option exposures	
5	Simplified approach	-
6	Delta-plus approach	-
7	Other approach	-
8	Securitization exposures	-
9	Total	2,997

10. International Claims

US\$'000					
As at June 30, 2021	Banks	Official Sector	Non Bank Private Sector		Total
			Non-bank Financial institutions	Non-financial private sector	
Developed Countries	511,745	—	183	—	511,928
- United States (92%)	501,658	—	183	—	501,841
Developing Asia and Pacific	1	31,019	—	—	31,020
- South Korea (6%)	—	31,019	—	—	31,019
Total	511,746	31,019	183	—	542,948
US\$'000					
As at December 31, 2020	Banks	Official Sector	Non Bank Private Sector		Total
			Non-bank Financial institutions	Non-financial private sector	
Developed Countries	181,090	—	642	—	181,732
- United States (31%)	170,804	—	642	—	171,446
Developing Asia and Pacific	—	377,721	—	—	377,721
- South Korea (68%)	—	377,721	—	—	377,721
Total	181,090	377,721	642	—	559,453

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

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 recognized, if the claims against counterparties are guaranteed by another party in a different country or if the claims are on an overseas branch of a bank whose head office is located in a different country.

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

11. Loans and Advance to Customers and Overdue and Rescheduled Assets

At 30 Jun 2021, the Company did not have any loans and advance to customers and overdue and rescheduled assets.

12. Reposessed Assets

At 30 Jun 2021, the Company did not have any reposessed assets.

13. Mainland Activities

At 30 Jun 2021, the Company did not have any exposures on Mainland activities.

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.

US\$'000	USD	CNY	EUR	PHP	KRW	OTH	Total
As at June 30, 2021							
Spot assets	509,639	224	344	1,641	31,090	10	542,948
Spot liabilities	(543,342)	—	(529)	—	—	(1)	(543,872)
Forward purchases	31,021	—	—	—	—	—	31,021
Forward sales	—	—	—	—	(31,035)	—	(31,035)
Net long/(short) position	(2,682)	224	(185)	1,641	55	9	(938)

US\$'000	USD	CNY	EUR	PHP	KRW	OTH	Total
As at December 31, 2020							
Spot assets	177,418	236	377	1,667	379,744	10	559,452
Spot liabilities	(560,528)	—	(550)	—	—	(1)	(561,079)
Forward purchases	431,668	—	—	—	75,953	—	507,621
Forward sales	(69,761)	—	—	—	(450,898)	—	(520,659)
Net long/(short) position	(21,203)	236	(173)	1,667	4,799	9	(14,665)

As at 30 Jun 2021, the Company did not have any net structural position.

Banc of America Securities Asia Limited

Supplementary Financial Information (Unaudited)

15. Authorized Institution under Requirements of G-SIBs

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

16. Statement of Compliance

Upon consultation with the HKMA under section 16(2)(a) of the Banking (Disclosure) Rules (“BDR”), BASAL had sought consent from the HKMA to continue uploading the required financial disclosure information to the website of its ultimate parent entity, Bank of America Corporation.

It is not practicable for BASAL to disclose under section 16(FE)(1)(b) of the BDR the full terms and conditions of all of its relevant regulatory capital instruments on its internet website, since BASAL does not currently maintain its own internet website. This is the reason that led BASAL to seek the aforementioned consent from HKMA.

Herein included below is the direct link to Bank of America Corporation’s internet website, whereby the full terms and conditions of all of BASAL’s relevant regulatory capital instruments and financial disclosure information can be accessed:

<https://investor.bankofamerica.com/regulatory-and-other-filings/subsidiary-and-country-disclosures>

This information is also the closest available alternative to the information which have been the subject of the required disclosures.