



Bank of America, National Association

Hong Kong Branch

Disclosure Statement

December 31, 2018

BANK OF AMERICA, NATIONAL ASSOCIATION
HONG KONG BRANCH
December 31, 2018

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

I. INCOME STATEMENT INFORMATION

	31-Dec-18 HK\$'000	31-Dec-17 HK\$'000
Interest income	3,369,036	1,989,609
Interest expense	(1,947,902)	(860,905)
Net interest income	<u>1,421,134</u>	<u>1,128,704</u>
Other operating income/ (loss)		
(Losses)/ gains arising from trading in foreign currencies	48,123	(80,286)
Gains arising from non-trading activities in foreign currencies	54,808	55,686
Gains/ (losses) on securities held for trading purposes	108,305	26,841
(Losses)/ gains arising from trading in interest rate derivatives	(96,945)	3,578
Losses arising from trading in other derivatives	(34,549)	(20,632)
Fees and commissions		
- Income	1,375,502	1,220,508
- Expense	(3,426)	(6,914)
Income from non-trading investments	-	-
Other income	3,752	3,035
	<u>1,455,570</u>	<u>1,201,816</u>
Total revenue	<u>2,876,704</u>	<u>2,330,520</u>
Operating expenses		
Staff expenses	(650,230)	(666,647)
Rental expenses	(126,655)	(122,910)
Other operating expenses		
- Depreciation expenses	(588)	(832)
- Group servicing fee	(835,804)	(516,058)
- Telecom expenses	(7,827)	(7,331)
- Equipment expenses	(1,868)	(1,179)
- Legal and Professional fee	(34,916)	(21,901)
- Travel expenses	(18,797)	(18,214)
- Subscription fee	(7,967)	(6,605)
- Other miscellaneous expenses	(364,753)	(439,801)
	<u>(2,049,405)</u>	<u>(1,801,478)</u>
Operating profit/ (loss) before provisions	827,299	529,042
Impairment allowance (charged)/ recovered	32,316	(246,885)
Profit/ (loss) before taxation	<u>859,615</u>	<u>282,157</u>
Tax expense/ income	(125,005)	(44,360)
Profit/ (loss) after taxation	<u><u>734,610</u></u>	<u><u>237,797</u></u>

BANK OF AMERICA, NATIONAL ASSOCIATION
HONG KONG BRANCH
December 31, 2018

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

II. BALANCE SHEET DATA

	31-Dec-18 HKS'000	30-Jun-18 HKS'000
ASSETS		
Cash and balances with banks	4,147,360	2,699,359
Due from Exchange Fund	1,344,569	7,625,297
Placements with banks and financial institutions maturing		
- Within one month	2,811,617	5,014,203
- Between one and twelve months	12,349,735	20,355,938
- Over one year	1,141,376	1,143,795
Amount due from overseas offices of the institution	23,093,812	28,312,564
Trade bills, net of impairment allowance	1,223,846	993,540
Certificate of Deposit	-	-
Trading securities, at fair value		
- Other securities	20,712,624	20,261,310
Advances to customers and other receivables, net of impairment allowance	53,965,426	57,519,619
Property, plant & equipment	16,726	18,695
Other assets	2,116,993	2,196,604
	<hr/>	<hr/>
TOTAL ASSETS	122,924,084	146,140,924
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES		
Deposits and balances from banks	4,774,918	3,810,450
Current, savings and other deposit accounts of customers		
- demand deposits and current accounts	24,731,203	29,514,044
- saving deposits	3,477,401	7,481,946
- time, call and notice deposits	10,143,844	16,984,221
Amount due to overseas offices of the institution	74,465,926	81,791,281
Provision for commitments and contingent liabilities	4,025	9,654
Other accounts & accruals	5,326,765	6,549,330
	<hr/>	<hr/>
TOTAL LIABILITIES	122,924,082	146,140,926
	<hr/> <hr/>	<hr/> <hr/>

BANK OF AMERICA, NATIONAL ASSOCIATION
HONG KONG BRANCH
December 31, 2018

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

III. ADDITIONAL BALANCE SHEET INFORMATION

	31-Dec-18 HK\$'000	30-Jun-18 HK\$'000
(i) Trade Bills, net of impairment allowance		
Trade Bills	1,312,309	1,079,838
Impairment allowance		
- Collective assessment	(12,362)	(10,036)
- Individual assessment	(76,101)	(76,262)
	<u>1,223,846</u>	<u>993,540</u>
	=====	=====
(ii) Advances to customers and other receivables, net of impairment allowance		
Advances to customers	54,860,900	58,162,141
Impairment allowance		
- Collective assessment	(542,887)	(571,925)
- Individual assessment	(619,845)	(637,483)
	<u>53,698,168</u>	<u>56,952,733</u>
Accrued interests	267,258	566,886
	<u>53,965,426</u>	<u>57,519,619</u>
	=====	=====
(iii) Commitments and contingent liabilities, net of impairment allowance		
Commitments and contingent liabilities	7,337,937	10,234,162
Impairment allowance		
- Collective assessment	(2,230)	(9,572)
- Individual assessment	(1,795)	(82)
	<u>7,333,912</u>	<u>10,224,508</u>
	=====	=====

For Branch level, we adopted the internal risk rating and observed the provisioning guidelines issued by Hong Kong Monetary Authority (“HKMA”) to assess the collective impairment allowance for loans and advances. Individual allowances are made against individual loans and advances as and when the management have doubts on the ultimate recoverability of principal or interest in full. Both individual and collective assessment allowances are deducted from “Trade Bills”, “Advances to customers and receivables” and “Commitments and contingent liabilities” in the balance sheet.

**BANK OF AMERICA, NATIONAL ASSOCIATION
HONG KONG BRANCH
December 31, 2018**

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

III. ADDITIONAL BALANCE SHEET INFORMATION (Continued)

	31-Dec-18 HK\$'000	30-Jun-18 HK\$'000
(iv) Analysis of overdue and rescheduled advances		
Overdue advances to customers		
- Six months or less but more than three months	-	0
- One year or less but more than six months	-	0
- More than one year	619,845	621,446
	<hr/>	<hr/>
	619,845	621,446
	=====	=====
Individually assessed allowance made in respect of overdue advances to customers		
- Six months or less but more than three months	0	0
- One year or less but more than six months	0	0
- More than one year	218,376	539,380
	<hr/>	<hr/>
	218,376	539,380
	=====	=====
Overdue advances to customers as a percentage of total advances to customers		
- Six months or less but more than three months	0.00%	0.00%
- One year or less but more than six months	0.00%	0.00%
- More than one year	1.13%	1.07%
	<hr/>	<hr/>
	1.13%	1.07%
	=====	=====

As at Dec 31, 2018 and Jun 30, 2018, there were no overdue and rescheduled advances to banks. The branch had no rescheduled advances and there was no collateral held in respect of those overdue advances to customers.

BANK OF AMERICA, NATIONAL ASSOCIATION
HONG KONG BRANCH
December 31, 2018

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

III. ADDITIONAL BALANCE SHEET INFORMATION (Continued)

	31-Dec-18	30-Jun-18
	HK\$'000	HK\$'000
(i) Impaired advances to customers and allowance		
- Impaired advances to customers	619,845	1,013,853
	=====	=====
- Individually assessed allowance	619,845	637,483
	=====	=====
- Impaired advances to customers as a percentage of total advances to customers	1.13%	1.74%
	=====	=====

As at Dec 31, 2018 and Jun 30, 2018, there was no collateral held in respect of impaired advances to customers. There was no impaired advance to banks & other financial institutions.

(ii) Analysis of other assets which have been overdue trade bills

- Six months or less but more than three months	-	-
- One year or less but more than six months	-	-
- More than one year	76,101	76,262
	-----	-----
	76,101	76,262
	=====	=====

Individually assessed allowance made in respect of

- Six months or less but more than three months	-	-
- One year or less but more than six months	-	-
- More than one year	76,101	76,262
	-----	-----
	76,101	76,262
	=====	=====

- Overdue trade bills as a percentage of total trade bills	5.80%	7.06%
	=====	=====

(iii) As at Dec 31, 2018 and Jun 30, 2018, the Branch had no repossessed assets.

**BANK OF AMERICA, NATIONAL ASSOCIATION
HONG KONG BRANCH
December 31, 2018**

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

IV. OFF-BALANCE SHEET EXPOSURES

	31-Dec-18 HK\$'000	30-Jun-18 HK\$'000
(i) The notional amounts of each of the following class of off-balance sheet exposures outstanding:		
Contingent liabilities and commitments		
- Direct credit substitutes	2,033,983	2,760,157
- Transaction-related contingencies	188,689	176,791
- Trade-related contingencies	3,402,253	4,859,874
- Other commitments	17,300,014	13,556,393
- Forward deposit placed	-	18,520,452
	<u>22,924,939</u>	<u>39,873,667</u>
	=====	=====

The notional amount of derivatives contracts are as follow:

- Exchange rate contracts	161,721,880	247,961,783
- Interest rate contracts	51,923,365	61,669,643
	<u>213,645,245</u>	<u>309,631,426</u>
	=====	=====

The contract amount of these instruments indicates the volume of transactions outstanding as at the balance sheet date, they do not represent the value at risk.

(ii) The fair value of the above derivatives contracts are as follow:

Fair value assets		
- Exchange rate contracts	1,219,196	1,448,723
- Interest rate contracts	1,313,788	1,117,092
	<u>2,532,984</u>	<u>2,565,815</u>
	=====	=====
Fair value liabilities		
- Exchange rate contracts	1,176,606	1,520,579
- Interest rate contracts	1,244,851	1,114,837
	<u>2,421,457</u>	<u>2,635,416</u>
	=====	=====

The contractual amount and fair value above do not take into account the effect of bilateral netting arrangements. Exchange rate contracts exclude forward foreign exchange contracts arising from swap deposit arrangements.

BANK OF AMERICA, NATIONAL ASSOCIATION
HONG KONG BRANCH
December 31, 2018

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

V. SEGMENTAL INFORMATION

- (i) Analysis of gross amount of advances to customers by industry sectors according to the categories and definitions used by the HKMA are as follow:

	31-Dec-18		30-Jun-18	
	Outstanding balance HK\$'000	Balance covered by collateral HK\$'000	Outstanding balance HK\$'000	Balance covered by collateral HK\$'000
By industry categories:				
Advances for use in Hong Kong				
Industrial, Commercial and Financial				
- Property Development	737,500	-	737,500	-
- Financial Concerns	2,699,004	-	3,979,839	-
- Stockbrokers	-	-	-	-
- Wholesale & Retail Trade	537,769	-	758,254	-
- Manufacturing	7,246,898	191,861	8,771,837	753,374
- Transport & Transport Equipment	3,670,601	-	1,418,339	588,574
- Electricity & Gas	3,320,919	-	5,262,146	-
- Recreational activities	170,081	-	133,660	-
- Information Technology	4,912,215	-	4,079,835	-
- All others	5,397,831	391,553	6,829,302	392,383
	<u>28,692,818</u>	<u>583,414</u>	<u>31,970,712</u>	<u>1,734,331</u>
Individuals	33,760	-	35,579	-
Trade Finance	10,383,200	-	12,034,697	-
Advances for use outside Hong Kong	15,751,122	-	14,121,154	-
	<u>54,860,900</u>	<u>583,414</u>	<u>58,162,142</u>	<u>1,734,331</u>

BANK OF AMERICA, NATIONAL ASSOCIATION
HONG KONG BRANCH
December 31, 2018

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

V. SEGMENTAL INFORMATION (Continued)

(ii) Analysis of gross amount of advances to customers by countries or geographical areas are as follow:

	31-Dec-18	30-Jun-18
	HK\$'000	HK\$'000
By countries or geographical areas:		
- Hong Kong	33,046,000	37,272,823
- India	7,584,474	4,531,108
- Macau	3,940,849	6,398,748
- China	2,836,909	2,710,529
- United States	2,606,572	1,770,180
- Mauritius	1,097,808	1,014,922
- Singapore	1,039,316	1,076,774
- Netherlands	783,105	1,074,235
- South Korea	654,558	843,901
- Luxembourg	603,199	551,073
- Others	313,330	350,806
- Switzerland	213,788	426,344
- Cayman Islands	82,904	83,080
- Malaysia	34,784	31,466
- Japan	9,256	9,600
- Mexico	8,067	9,458
- Thailand	4,349	6,940
- United Kingdom	1,633	154
	<hr/>	<hr/>
	54,860,900	58,162,141
	=====	=====

Advances to customers by countries or geographical area are classified according to the location of the counterparties after taking into account the transfer of risk. In general, risk transfer applies when an advance is guaranteed by a party located in an area that is different from that of the counterparty.

(iii) Analysis of overdue advances to customers by countries or geographical areas:

- Hong Kong	497,175	498,229
- Cayman Islands	82,904	83,080
- China	39,766	40,136
	<hr/>	<hr/>
	619,845	621,445
	=====	=====

BANK OF AMERICA, NATIONAL ASSOCIATION
HONG KONG BRANCH
December 31, 2018

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

V. SEGMENTAL INFORMATION (Continued)

(iv) Analysis of impaired advances to customers, which are individually assessed by countries or geographical areas:

	31-Dec-18 HK\$'000	30-Jun-18 HK\$'000
- Hong Kong	497,175	498,254
- Cayman Islands	82,904	83,080
- China	39,766	40,136
- United States	-	392,382
	<hr/>	<hr/>
	619,845	1,013,852
	=====	=====

(v) Analysis of overdue trade bills by countries or geographical areas:

- Hong Kong	76,101	76,101
	<hr/>	<hr/>
	76,101	76,101
	=====	=====

(vi) Analysis of impaired trade bills by countries or geographical areas:

- Hong Kong	76,101	76,101
	<hr/>	<hr/>
	76,101	76,101
	=====	=====

**BANK OF AMERICA, NATIONAL ASSOCIATION
HONG KONG BRANCH
December 31, 2018**

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

VI. INTERNATIONAL CLAIMS

		Banks	Official Sector	Non-bank private sector		Total
				Non-bank financial institutions	Non-financial private sector	
As at 31 Dec, 2018		HK\$ Million				
-	Developed countries	23,133	-	521	3,690	27,344
of which :	- <i>Australia</i>	<i>1</i>	-	-	<i>0</i>	<i>1</i>
	- <i>France</i>	-	-	-	-	-
	- <i>Japan</i>	-	-	-	-	-
	- <i>Luxembourg</i>	-	-	<i>0</i>	<i>603</i>	<i>603</i>
	- <i>Netherlands</i>	-	-	<i>0</i>	<i>783</i>	<i>783</i>
	- <i>United Kingdom</i>	<i>2</i>	-	<i>1</i>	<i>0</i>	<i>4</i>
	- <i>United States</i>	<i>23,130</i>	-	<i>519</i>	<i>2,090</i>	<i>25,739</i>
	- <i>Switzerland</i>	-	-	-	<i>214</i>	<i>214</i>
-	Offshore centres	-	-	1,381	35,108	36,489
of which :	- <i>Cayman Islands</i>	-	-	-	<i>83</i>	<i>83</i>
	- <i>Hong Kong SAR</i>	-	-	<i>847</i>	<i>29,464</i>	<i>30,311</i>
	- <i>Singapore</i>	-	-	<i>535</i>	<i>510</i>	<i>1,045</i>
	- <i>Macau SAR</i>	-	-	-	<i>3,952</i>	<i>3,952</i>
	- <i>Mauritius</i>	-	-	-	<i>1,098</i>	<i>1,098</i>
-	Developing Africa and Middle East	-	-	-	314	314
of which :	- <i>Brazil</i>	-	-	-	-	-
	- <i>Malawi</i>	-	-	-	<i>314</i>	<i>314</i>
-	Developing Asia-Pacific	21,914	2,807	-	17,331	42,051
of which :	- <i>China</i>	<i>14,244</i>	-	-	<i>9,020</i>	<i>23,264</i>
	- <i>Chinese Taipei</i>	<i>666</i>	-	-	-	<i>666</i>
	- <i>India</i>	<i>4,653</i>	-	-	<i>7,615</i>	<i>12,268</i>
	- <i>Indonesia</i>	-	-	-	-	-
	- <i>South Korea</i>	<i>2,351</i>	<i>2,807</i>	-	<i>657</i>	<i>5,815</i>
	- <i>Malaysia</i>	-	-	-	<i>35</i>	<i>35</i>
	- <i>Philippines</i>	-	-	-	-	-
	- <i>Thailand</i>	-	-	-	<i>4</i>	<i>4</i>
-	Developing Latin America and Caribbean	-	-	-	8	8
of which:	- <i>Mexico</i>	-	-	-	<i>8</i>	<i>8</i>
		<u>45,044</u>	<u>2,807</u>	<u>1,902</u>	<u>56,450</u>	<u>106,203</u>
		=====	=====	=====	=====	=====

BANK OF AMERICA, NATIONAL ASSOCIATION
HONG KONG BRANCH
December 31, 2018

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

VI. INTERNATIONAL CLAIMS (Continued)

	Banks	Official Sector	Non-bank financial institutions	Non- financial private sector	Total
As at 30 Jun, 2018	HK\$ Million				
- Developed countries	28,362	-	-	3,894	32,256
of which :					
- <i>Australia</i>	2	-	-	-	2
- <i>France</i>	-	-	-	42	42
- <i>Japan</i>	-	-	-	9	9
- <i>Luxembourg</i>	-	-	-	551	551
- <i>Netherlands</i>	-	-	-	1,074	1,074
- <i>United Kingdom</i>	1	-	-	-	1
- <i>United States</i>	28,359	-	-	1,792	30,151
- <i>Switzerland</i>	-	-	-	426	426
- Offshore centres	26	-	4,061	39,133	43,220
of which :					
- <i>Cayman Islands</i>	-	-	-	83	83
- <i>Hong Kong SAR</i>	26	-	616	33,989	34,631
- <i>Singapore</i>	-	-	536	543	1,079
- <i>Macau SAR</i>	-	-	2,909	3,503	6,412
- <i>Mauritius</i>	-	-	-	1,015	1,015
- Developing Africa and Middle East	-	-	-	315	315
of which :					
- <i>Brazil</i>	-	-	-	-	-
- <i>Malawi</i>	-	-	-	315	315
- Developing Asia-Pacific	30,018	2,178	-	14,817	47,013
of which :					
- <i>China</i>	20,825	-	-	9,391	30,216
- <i>Chinese Taipei</i>	-	-	-	-	-
- <i>India</i>	5,112	-	-	4,540	9,652
- <i>Indonesia</i>	443	-	-	-	443
- <i>South Korea</i>	3,535	2,178	-	848	6,561
- <i>Malaysia</i>	-	-	-	31	31
- <i>Philippines</i>	103	-	-	-	103
- <i>Thailand</i>	-	-	-	7	7
- Developing Latin America and Caribbean	-	-	-	9	9
of which:					
- <i>Mexico</i>	-	-	-	9	9
	58,406	2,178	4,061	58,168	122,813
	58,406	2,178	4,061	58,168	122,813

**BANK OF AMERICA, NATIONAL ASSOCIATION
HONG KONG BRANCH
December 31, 2018**

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

VI. INTERNATIONAL CLAIMS (Continued)

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 claim against counterparties is guaranteed by another party in a different country or if the claim is 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.

Claims arising between head office, branches and subsidiaries are excluded.

BANK OF AMERICA, NATIONAL ASSOCIATION
HONG KONG BRANCH
December 31, 2018

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

VII. CURRENCY RISK

The net position of the following foreign currency constitutes 10% or more of the total net position in all foreign currencies arising from those trading, non-trading and structural position.

	<u>USD</u>	<u>CNY</u>	<u>AUD</u>	<u>JPY</u>	<u>SGD</u>	<u>OTH</u>	<u>Total</u>
As at 31 Dec, 2018				HK\$ Million			
Spot assets	87,834	7,991	630	61	1,336	7,406	105,258
Spot liabilities	(97,546)	(5,121)	(627)	(62)	(1,335)	(4,350)	(109,041)
Forward purchases	73,175	1,823	44,936	7,433	783	24,269	152,419
Forward sales	(64,166)	(4,704)	(44,936)	(7,430)	(783)	(27,311)	(149,330)
Net option position	-	-	-	-	-	-	-
	=====	=====	=====	=====	=====	=====	=====
Net (short)/long position	(703)	(11)	3	2	1	14	(694)
	=====	=====	=====	=====	=====	=====	=====
Net structural position	-	-	-	-	-	-	-
	=====	=====	=====	=====	=====	=====	=====
	<u>USD</u>	<u>CNY</u>	<u>AUD</u>	<u>JPY</u>	<u>SGD</u>	<u>OTH</u>	<u>Total</u>
As at 30 Jun, 2018				HK\$ Million			
Spot assets	102,671	3,803	927	779	985	10,524	119,689
Spot liabilities	(109,707)	(2,474)	(923)	(777)	(985)	(8,286)	(123,152)
Forward purchases	115,221	1,602	98,812	1,797	657	21,657	239,746
Forward sales	(108,850)	(2,880)	(98,812)	(1,797)	(657)	(23,901)	(236,897)
Net option position	-	-	-	-	-	-	-
	=====	=====	=====	=====	=====	=====	=====
Net (short)/long position	(665)	51	4	2	-	(6)	(614)
	=====	=====	=====	=====	=====	=====	=====
Net structural position	-	-	-	-	-	-	-
	=====	=====	=====	=====	=====	=====	=====

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

VIII. LIQUIDITY INFORMATION

(i) Liquidity ratio

	<u>Quarter ended</u> Dec 31, 2018	<u>Year ended</u> Dec 31, 2017
The average liquidity maintenance ratio for the financial period (“Average LMR”)	54.83%	56.39%
	=====	=====

The average LMR are calculated as the simple average of each month’s average corresponding ratio for the period. In accordance with the Banking (Disclosure) (Amendment) Rules 2018, average LMR of the 3 months average for Q4 2018 shall be disclosed for current reporting period while the average LMR of the 12 months average for 2017 shall be disclosed as comparatives information

(ii) 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.

BANK OF AMERICA, NATIONAL ASSOCIATION
HONG KONG BRANCH
December 31, 2018

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

IX. MAINLAND ACTIVITIES

The analysis of non-bank Mainland activities is based on the categories of non-bank counterparties and the type of direct exposures defined by the HKMA under the Banking (Disclosures) Rules with reference to the HKMA Return of Mainland activities.

As at 31 Dec, 2018	Items in HKMA Return	On-balance sheet exposure HK\$'000	Off-balance sheet exposure HK\$'000	Total HK\$'000
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	1	24,998,664	5,263,742	30,262,407
Local governments, local government-owned entities and their subsidiaries and JVs	2	1,975,552	783,105	2,758,657
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3	6,729,179	704,794	7,433,973
Other entities of central government not reported in item 1 above	4	18,016	-	18,016
Other entities of local government not reported in item 2 above	5	-	-	-
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6	2,304,740	2,093,003	4,397,744
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	7	219,861	172,283	392,145
Total	8	36,246,013	9,016,928	45,262,941
Total assets after provision	9	122,920,057		
On-balance sheet exposures as percentage of total assets	10	29.49%		

**BANK OF AMERICA, NATIONAL ASSOCIATION
HONG KONG BRANCH
December 31, 2018**

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

IX. MAINLAND ACTIVITIES (CONTINUED)

As at 30 Jun, 2018	Items in HKMA Return	On-balance sheet exposure HK\$'000	Off-balance sheet exposure HK\$'000	Total HK\$'000
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	1	32,848,253	107,884	32,956,137
Local governments, local government-owned entities and their subsidiaries and JVs	2	2,635,513	-	2,635,513
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3	1,910,253	215,810	2,126,063
Other entities of central government not reported in item 1 above	4	41,296	-	41,296
Other entities of local government not reported in item 2 above	5	11,667	-	11,667
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6	1,709,682	3,852,821	5,562,503
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	7	3,798,840	1,491,053	5,289,894
Total	8	42,955,504	5,667,568	48,623,073
Total assets after provision	9	146,131,272		
On-balance sheet exposures as percentage of total assets	10	29.40%		

X. OTHER INFORMATION

(i) **Principal Activities**

The principal activities of Bank of America, National Association, Hong Kong Branch (“BANA HK”) are Corporate Banking and Global Markets. Corporate Banking includes Cash Management, Loans, Deposits; Trade Finance and Treasury solutions to Financial Institution (“FIs”) and corporate clients. Global Market includes Foreign Exchange and Bonds trading and funding for BANA HK.

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

X. OTHER INFORMATION (CONTINUED)

(ii) Remuneration system

Introduction

The following information sets forth the remuneration disclosures required under Section 3 of the Guideline on a Sound Remuneration System (CG-5) issued by the Hong Kong Monetary Authority (“HKMA”) in March 2015 (the “Guideline”), to reflect the Pillar 3 requirements for remuneration disclosure published by the Basel Committee on Banking Supervision in July 2011. The information relates to the incentive remuneration programs operated in respect of performance year 2018 by Bank of America Corporation (“Bank of America” or the “Company”). Annex A of the Guideline outlines the qualitative remuneration disclosure requirements under paragraphs (a) to (f) as exhibited in the following information. The quantitative remuneration disclosures required under paragraphs (g) to (m) of Annex A in respect of Bank of America operations in Hong Kong appear after this section.

The disclosures relate to employees located in Hong Kong providing service to the Bank of America, N.A. Hong Kong Branch, with specific regard to senior management and Key Personnel as defined in Section 2 of the Guideline.

The Company applies prudent risk management practices to its incentive remuneration programs across the enterprise and is committed to a remuneration governance structure that effectively contributes to its overall risk management policies.

In order to provide an appropriate balance of risk and reward, incentive remuneration plans are developed in accordance with the Company’s Global Compensation Principles:

Principle 1. Compensation should be comprised of an appropriate mix of salary, benefits and incentives paid over time that properly aligns employee and stockholder interests.

Principle 2. Criteria for payment of incentive compensation should take into account Company-wide, business unit and individual factors.

Principle 3. Compensation should be determined on the basis of a combination of financial and non-financial factors that reflect both the current period and a longer period.

Principle 4. Compensation programs should incorporate appropriate governance processes and procedures.

These principles work in conjunction with broader remuneration practices, including the Company’s overall commitment to pay for performance, remuneration policies and risk management processes set forth in the Company’s Risk Framework and Risk Appetite Statement.

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

X. OTHER INFORMATION (CONTINUED)

(ii) **Remuneration system (continued)**

Governance and the decision-making process for determining the remuneration policy

The Company applies its compensation policy on a global basis and has four primary levels for the governance of incentive compensation plans:

- (i) the Board of Directors (the “Board”),
- (ii) the Board of Directors Compensation and Benefits Committee (the “Committee”), which is wholly made up of independent directors and functions as the Company’s global Remuneration Committee,
- (iii) the Management Compensation Committee (“MCC”), and
- (iv) governance by line of business management and independent control functions aligned to the line of business and regional governance.

The Committee oversees the establishment, maintenance and administration of the Company’s remuneration programs and employee benefit plans, including approving the remuneration of the direct reports of the Chief Executive Officer (the “CEO”) and approving and recommending the remuneration of the CEO to the Board for its further approval. Under supervision of the Committee, oversight, review and responsibility for remuneration decision-making is allocated to the appropriate level of the Company’s structure so that the most relevant level of management makes remuneration decisions with documented input from the Company’s independent control functions.

The Committee has adopted and annually reviews (most recently in September 2018) the Bank of America Compensation Governance Policy (“CGP”) to govern incentive remuneration decisions and define the framework for design oversight of incentive remuneration programs across the Company. The CGP is designed to be consistent with global regulatory initiatives so that the Company’s incentive remuneration plans do not encourage excessive risk-taking.

The Committee receives, from time to time, direct feedback from the independent control functions on remuneration programs. For performance year 2018, in addition to reviewing the individual incentive remuneration awards for executive officers and other senior executives who report directly to the CEO, the Committee also reviewed the outcomes of the Company’s robust control function feedback process, conduct reviews and individual incentive remuneration awards for certain highly compensated employees and material risk takers. As part of its governance routine, the Committee met with the heads of the Company’s independent control functions (including the Chief Risk Officer (“CRO”)) and business lines to discuss their feedback on the pay-for-performance process, including their experience managing risk and conduct matters. In addition, the Company’s CRO also certifies all incentive plans across the Company as part of the MCC’s governance process.

As a result of these processes and reviews, and in combination with the risk management and clawback features of the Company’s remuneration programs, Bank of America believes that its remuneration policies and practices appropriately balance risk and reward in a way that does not encourage excessive or imprudent risk-taking or create risks that are reasonably likely to have a material adverse effect on the Company. Moreover, oversight by the Committee, MCC, independent control functions, and line of business management help the Company maintain a remuneration program that is intended to mitigate the potential for conflicts of interests.

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

X. OTHER INFORMATION (CONTINUED)

(ii) **Remuneration system (continued)**

As authorized under its charter, the Committee has engaged Farient Advisors, LLC as its independent remuneration consultant. The independent remuneration consultant meets regularly with the Committee outside the presence of management and alone with the Committee Chair, and also reviews management's incentive plan certifications with the Committee.

During performance year 2018, the Committee held seven (7) meetings. Additional information regarding the Committee is included in the annual Proxy Statement available on Bank of America's Investor Relations website.

The link between pay and performance

The cornerstone of Bank of America's remuneration philosophy across all lines of business is to pay for performance – Company, line of business and individual performance. Through the Company's Performance Management process, employees understand performance expectations for their role through ongoing dialogue with their manager. The Performance Management process is designed and monitored by the Leadership Development function in Human Resources. This process is reviewed periodically so that it meets the needs of managers to assess and communicate performance expectations. Throughout the year, employees receive coaching on their performance and ultimately receive a rating for their full year of performance based upon their achievement of goals for their job.

In addition, the Company does not remunerate or assess employees' performance in a way that encourages employees to act in a manner that conflicts with the duties owed to the Company's clients. Each employee's performance is assessed on quantitative and qualitative objectives as well as specific behaviors, and performance is factored into each employee's incentive remuneration award. Depending on the employee, quantitative performance objectives may be focused on Company-wide, line of business, or product results. Qualitative performance objectives may include quality and sustainability of earnings, successful implementation of strategic initiatives, adoption of risk culture/adherence to risk framework and operating principles and other core values of the Company.

Employees receive two ratings – a Result rating (based on factors such as business performance) and a Behavior rating (based on factors such as conduct, broader contributions to the Company, leadership, teamwork, etc.). The scale for both ratings is Exceeds Expectations, Meets Expectations, and Does Not Meet Expectations. Both the Result and Behavior ratings are used in determining employees' remuneration. As a result, an employee's remuneration can be influenced not only by what the employee achieves, but how the employee achieves it and the employee may receive no variable award if performance is not sufficiently strong.

The Company's pay-for-performance program also requires that all employees complete annual mandatory risk and compliance training.

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

X. OTHER INFORMATION (CONTINUED)

(ii) **Remuneration system (continued)**

Risk Management and Incentive Plans

Risk is inherent in every material business activity that the Company undertakes. The Company's business exposes it to strategic, credit, market, liquidity, compliance, operational and reputational risks. The Company must manage these risks to maximize its long-term results by ensuring the integrity of its assets and the quality of its earnings. To support the Company's corporate goals and objectives, risk appetite, and business and risk strategies, the Company maintains a governance structure that delineates the responsibilities for risk management activities, as well as governance and oversight of those activities, by management and the Company's Board.

Executive management develops for Board approval the Company's Risk Framework, which defines the accountability of the Company and its employees in managing risk; the Company's Risk Appetite Statement, which defines the parameters under which the Company will take risk; and the Company's strategic and financial operating plans. Management monitors, and the Board oversees directly and through its committees, the Company's financial performance, execution against the strategic and financial operating plans, compliance with the risk appetite metrics and the adequacy of internal controls.

The Company believes that prudent risk management practices are applied to its incentive remuneration programs across the enterprise. The Company continually evaluates the design of its remuneration programs in accordance with the risk framework. The Committee is committed to a remuneration governance structure that effectively contributes to the Company's broader risk management policies.

The Company's incentive plans are designed to compensate employees based on their performance ratings for results against their individual performance plan and behaviors, as well as overall Company and line of business performance.

Incentive plan bonus pools are based on profit measures, which inherently recognize certain underlying risk factors and are further adjusted to reflect the use of capital associated with individual lines of business or products and/or the quality and sustainability of earnings over time. The determination of incentive plan bonus pools is also subject to management discretion which operates so proper account is taken of the performance of the overall Company, individual lines of business, products and other factors including the achievement of strategic objectives.

Incentive plan bonus pools may be adjusted to reflect long-term risk arising through line of business and product performance. These pools are tied to the overall performance, inclusive of risk, of Bank of America and/or specific lines of business or products, creating for employees a vested interest in profitable performance across the Company and its businesses.

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

X. OTHER INFORMATION (CONTINUED)

(ii) **Remuneration system (continued)**

Risk Management and Incentive Plans (continued)

Risk is also taken into account and managed in connection with the Company's incentive remuneration programs through arrangements permitting performance adjustment of deferred variable remuneration. Employees in positions where the greatest risk is being taken are subject to higher levels of deferral and potential performance adjustments.

The remuneration of the independent control functions is determined independently from the line of business supported. The funding of the incentive pool for these employees is based upon overall Company performance with the actual employee awards determined based upon individual performance against predetermined objectives.

Employee Pay

Bank of America compensates its employees using a balanced mix of fixed remuneration, annual cash incentives and deferred incentives (which are delivered in equity, equity-based instruments or cash). In general, the higher an employee's management level or amount of incentive remuneration award, the greater the proportion of incentive remuneration should be (i) subject to deferral and (ii) delivered in the form of equity-based remuneration. The Company believes equity-based awards are the simplest, most direct way to align employee interests with those of its stockholders. A portion of incentive awards is provided as a deferred incentive that generally becomes earned and payable over a period of three years after grant and will be cancelled in case of detrimental conduct and (for certain risk-takers) may be cancelled if the Company, line of business or business unit (as applicable) fails to remain profitable during the vesting period. This approach serves two key objectives, which are to focus employees on long-term sustainable results and to subject remuneration awards to risk over an appropriate time horizon that can be easily communicated and understood.

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

X. OTHER INFORMATION (CONTINUED)

(ii) **Remuneration system (continued)**

Key Personnel Identification and Pay

The Company operates an enterprise-wide approach in the identification of material risk takers, which has included determining where senior management and Key Personnel (or equivalent designations) are located. Senior management for the purposes of the Guideline are those employees “who are responsible for oversight of the [Company’s] firm-wide strategy or activities or those of the [Company’s] material business lines (including, by not limited to, executive directors, the chief executive and other senior executives).” Key Personnel include individual employees “whose duties or activities in the course of their employment involve the assumption of material risk or the taking on of material exposures on behalf of the [Company or their local employing entity].” The Company considers that it applies its remuneration policies (including the determination of senior management and Key Personnel) in a way that is appropriate to the size, internal organization and the nature, scope and complexity of its activities in all the countries in which it operates.

Variable pay for Key Personnel generally consists of a mixture of payments and deferred awards. Deferred awards will be cancelled in the case of detrimental conduct and may be cancelled if the Company, line of business or business unit, as applicable, fails to remain profitable during the vesting period. If risks taken as part of approved business strategies do not result in sustainable profits, or if the employee fails to behave according to Company standards, the value of the deferred equity award may be impacted. The deferral rates for Key Personnel ranged from approximately 30%-50% of total variable remuneration.

By combining deferred awards with the Company’s malus and clawback provisions, the Company considers that it places a strong focus on sustainable long-term results and appropriate behaviors.

**BANK OF AMERICA, NATIONAL ASSOCIATION
HONG KONG BRANCH
December 31, 2018**

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

X. OTHER INFORMATION (CONTINUED)

(ii) Remuneration system (continued)

Quantitative Disclosures and Tables

The Committee held ten (10) meetings in 2017 and seven (7) meetings in 2018. The 2017 remuneration of the Committee members is disclosed in the 2018 Proxy statement available on Bank of America's Investor Relations website. 2018 remuneration of the Committee members will similarly be disclosed in the 2019 Proxy statement, to be available on or about 13 March 2019.

Bank of America, N.A. Hong Kong Branch is one of the banking businesses operated in Hong Kong by Bank of America. For performance year 2018, the Bank of America, N.A. Hong Kong Branch employed approximately 440 employees.

The following disclosure tables contain the information required under paragraphs (h) to (m) of Annex A of the Guideline in respect of Bank of America, N.A. Hong Kong Branch related to employees identified as Key Personnel. There were no employees of the Bank of America, N.A. Hong Kong Branch identified as senior management. Senior employees, including risk control functions, at Bank of America, N.A. Hong Kong Branch have functional reporting lines to more senior Bank of America employees in other countries who are covered by local and/or regional regulations and who are reported as senior management and/or Key Personnel equivalents in their respective countries.

**BANK OF AMERICA, NATIONAL ASSOCIATION
HONG KONG BRANCH
December 31, 2018**

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

X. OTHER INFORMATION (CONTINUED)

(ii) Remuneration system (continued)

- h. Total amount of outstanding deferred remuneration, split into vested and unvested

Key Personnel

	2017 (\$ 000's)	2018 (\$ 000's)
Vested during the financial year (USD)	2,221	2,750
Unvested as of Dec 31 (USD)	4,940	3,190

- i. Total amount of outstanding deferred remuneration, split into cash, equity and equity-based instruments and other forms

Key Personnel

	2017 (\$ 000's)	2018 (\$ 000's)
Equity and equity-based instruments as of Dec 31 (USD)	4,940	3,190
Long Term Cash as of Dec 31 (USD)	0	0

- j. Total amount of deferred remuneration awarded, paid out and reduced through performance adjustments during the financial year

Key Personnel

	2017 (\$ 000's)	2018 (\$ 000's)
Awarded during the financial year (USD)	1,547	1,556
Paid Out during the financial year (USD)	2,221	2,750
Reduced through Performance Adjustments during the financial year (USD)	0	0

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

X. OTHER INFORMATION (CONTINUED)

(ii) **Remuneration system (continued)**

Quantitative Disclosures and Tables (continued)

- k. Breakdown of amount of remuneration awards for the financial year to show:
- Fixed and variable (with number of beneficiaries in each category)
 - Deferred and non-deferred
 - Different forms used (cash, equity, and equity-based instruments, other forms)

2017:

	Key Personnel (4 Beneficiaries)	
Total value of remuneration awards for the current financial year	Non-deferred (\$ 000's)	Deferred (\$ 000's)
Fixed remuneration		
-Cash based (USD)	1,718	0
-Equity and equity-based instruments (USD)	0	0
Variable remuneration		
-Cash based (USD)	1,937	0
- Equity and equity-based instruments (USD)	0	1,504

2018:

	Key Personnel (4 Beneficiaries)	
Total value of remuneration awards for the current financial year	Non-deferred (\$ 000's)	Deferred (\$ 000's)
Fixed remuneration		
-Cash based (USD)	1,707	0
-Equity and equity-based instruments (USD)	0	0
Variable remuneration		
-Cash based (USD)	1,989	0
- Equity and equity-based instruments (USD)	0	1,570

**BANK OF AMERICA, NATIONAL ASSOCIATION
HONG KONG BRANCH
December 31, 2018**

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

X. OTHER INFORMATION (CONTINUED)

(ii) **Remuneration system (continued)**

Quantitative Disclosures and Tables (continued)

1. Quantitative information about employees' exposure to implicit and explicit adjustments of deferred remuneration and retained remuneration:

- Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments:

Key Personnel

	2017 (\$ 000's)	2018 (\$ 000's)
Total amount as of Dec 31 (USD)	4,940	3,190

- Total amount of reductions during the financial year due to ex post explicit adjustments

Key Personnel

	2017 (\$ 000's)	2018 (\$ 000's)
Total amount during the financial year USD)	0	0

- Total amount of reductions during the financial year due to ex post implicit adjustments

Key Personnel

	2017 (\$ 000's)	2018 (\$ 000's)
Total amount during the financial year USD)	0	427

**BANK OF AMERICA, NATIONAL ASSOCIATION
HONG KONG BRANCH
December 31, 2018**

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

X. OTHER INFORMATION (CONTINUED)

(ii) **Remuneration system (continued)**

Quantitative Disclosures and Tables (continued)

- m. - Number and total amount of guaranteed bonuses awarded during the financial year and number of beneficiaries of such payments

None

- Number and total amount of sign-on awards made during the financial year and number of beneficiaries of such payments

None

- Number and total amount of severance payments made during the financial year, and number of beneficiaries of such payments

None

- Number and total amount of severance payments awarded during the financial year, and number of beneficiaries of such payments, and highest such award to a single person

None

SUPPLEMENTARY INFORMATION (Liquidity Risk Management)

Liquidity risk management

Liquidity risk is the inability to meet expected or unexpected cash flow and collateral needs while continuing to support the businesses and customers under a range of economic conditions.

In BANA Hong Kong, each of the Front Line Units (“FLU’s”) are accountable for managing liquidity risk by establishing appropriate processes to identify, measure, monitor and control the risks associated with their activities. Global Risk Management provides independent oversight of FLU activities.

The BANA Hong Kong Asset and Liability Committee (“ALCO”), reports to the Asia Pacific Regional Risk Committee (the “APAC RRC”), and is responsible for providing management oversight and certain approvals of (or recommending to the APAC RRC or other committees, as appropriate) balance sheet, capital, liquidity management and stress testing activities for BANA Hong Kong.

The Bank of America Corporation Liquidity Risk Policy (“BAC LRP”) establishes requirements and accountabilities for managing liquidity risk at BAC and its Subsidiaries. The BAC LRP permits branch-specific liquidity risk policies as deemed necessary by regulatory requirement. The BANA Hong Kong LRP is established to provide the overarching governance, controls and risk management practices to monitor and manage liquidity risk across BANA Hong Kong and is approved by the ALCO. The BAC LRP and BANA Hong Kong LRP determine the approach to liquidity risk management and combined with local liquidity risk limits define the overall liquidity risk tolerance for BANA Hong Kong.

BANA Hong Kong perform periodic liquidity reporting which enables risk monitoring and appropriate risk escalation, which includes defined protocols for limit breaches and emerging risks and issues. Regular liquidity risk reports are sent to the ALCO.

BANA Hong Kong has funding strategy documented and reviewed at ALCO. The document highlights how different products are funded, including its source, currency, funding instrument, funding tenor, and funding source concentration.

SECTION C – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

SUPPLEMENTARY INFORMATION (Liquidity Risk Management) (Continued)

For liquidity risk mitigation, BANA Hong Kong has below key components:

- The BANA Hong Kong LRP, which formally articulates the principles for managing liquidity risk within BANA Hong Kong, including requirements for internal stress testing, limits and early warning indicators, reporting and monitoring, roles and accountabilities and regulatory requirements;
- Liquidity risk limits, established by CFO Risk APAC and approved by ALCO, requiring BANA Hong Kong to maintain sufficient excess liquidity resources and to comply with regulatory requirements; and
- The BANA Hong Kong contingency funding plan (“BANA CFP”), which details management’s strategy to address potential liquidity shortfalls during periods of stress.

BANA Hong Kong has an internal liquidity stress testing approach for monitoring and measuring liquidity stress impacts across several time horizons. It has severe scenarios that incorporate market wide and Company-specific events. The stress tests are used to monitor and analyze the level of cash inflows and outflows including contractual and contingent flows, and to estimate the LMR position during a stress event. The results are reviewed by ALCO regularly.

BANA Hong Kong CFP is the branch’s ALCO’s as well as management’s strategy and procedures to address potential liquidity shortfalls during periods of stress. The plan includes an inventory of key indicators monitored to detect potential emerging liquidity stress, procedures for activating and deactivating the BANA Hong Kong CFP, and quantitative analysis of actions that may be taken to raise cash during various liquidity stress environments.

BANA Hong Kong has reviewed and approved via the local ALCO Short Term and Long Term Cash Flow forecast assumptions which highlights the customized tools and methodologies at which BANA Hong Kong’s balance sheet and cash flow are projected.

For Liquidity exposure and funding, BANA Hong Kong has monthly process of forward looking forecasts of balance sheet by product, by currency, and by business line allows determination of liquidity exposures and funding needs for BANA Hong Kong. BANA Hong Kong relies on funding from the Parent and its centralized liquidity pool. BANA Hong Kong performed an assessment to demonstrate sufficiency, availability and transferability of funds from the Parent to meet liquidity needs in Hong Kong in a timely manner.

BANK OF AMERICA, NATIONAL ASSOCIATION
HONG KONG BRANCH
December 31, 2018

SECTION C – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

SUPPLEMENTARY INFORMATION (Liquidity Risk Management) (Continued)

BANA Hong Kong's analysis of on- and off-balance sheet items by remaining maturity and the resultant liquidity gaps as at 31st December 2018 is show as follow:

(HK \$ million)	Repayable on Demand	Within 1 month	>1 month up to 3 months	>3 months up to 1 year	>1 year up to 5 years	over 5 years	undated or overdue
Placement with banks and other financial institutions	28,416	2,987	5,874	6,547	1,134	-	-
Advances to customers, acceptances and bills of exchange held	462	21,878	5,365	9,269	18,226	485	620
Debt securities, prescribed instruments and structured financial instruments held	11,991	18	1,955	314	6,096	341	-
Other assets	10.20	2,159	361	1,697	1,512	694	67
Total on-balance sheet assets	40,879	27,042	13,555	17,826	26,968	1,520	686
Total off-balance sheet claims	1	80	78	203	42	-	-
Deposit with banks and other financial institutions	6,248	4,399	22,801	15,686	28,964	636	-
Deposit from customers	31,734	6,410	211	0	-	-	-
Other liabilities and capital	147	4,462	637	1,769	1,396	694	2,220
Total on-balance sheet liabilities	38,129	15,271	23,649	17,454	30,360	1,330	2,220
Total off-balance sheet obligations	47	-	2	1,537	15,179	276	260
Contractual maturity mismatch	2,705	11,850	(10,018)	(962)	(18,529)	(86)	
Cumulative contractual maturity mismatch	2,705	14,555	4,537	3,576	(14,953)	(15,040)	

BANK OF AMERICA, NATIONAL ASSOCIATION
HONG KONG BRANCH
December 31, 2018

SECTION B – CONSOLIDATED INFORMATION (BANK OF AMERICA CORPORATION)

I. CAPITAL AND CAPITAL ADEQUACY

	31-Dec-18	30-Jun-18
	US\$ Million	US\$ Million
- Common Equity Tier 1 Capital ratio (Standardized Approach)	11.60%	11.40%
- Common Equity Tier 1 Capital ratio (Advanced Approach)	11.90%	11.50%
- Tier 1 Capital Ratio (Standardized Approach)	13.20%	13.00%
- Tier 1 Capital Ratio (Advanced Approach)	13.40%	13.00%
- Total Capital Ratio (Standardized Approach)	15.40%	15.30%
- Total Capital ratio (Advanced Approach)	15.10%	14.80%
	US\$ Million	US\$ Million
- The aggregate amount of shareholders' funds	265,325	264,216
- Risk-weighted assets (Standardized Approach)	1,436,905	1,443,896
- Risk-weighted assets (Advanced Approach)	1,408,264	1,437,602
	=====	=====

The capital adequacy ratio is calculated in accordance with the Basel Capital Accord. In addition, the Bank has incorporated a measure for market risk in their regulatory capital calculations in accordance with the regulatory capital guidelines jointly issued by the Federal Reserve Bank, the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation. Besides, the Regulatory capital ratios reflect the transition provisions of Basel 3.

II. OTHER FINANCIAL INFORMATION

	31-Dec-18	30-Jun-18
	US\$ Million	US\$ Million
- Total assets	2,354,507	2,291,670
- Total liabilities	2,089,182	2,027,454
- Total advances (net of allowances)	937,294	925,774
- Total customer deposits	1,381,476	1,309,691
	=====	=====
	31-Dec-18	30-Jun-18
	US\$ Million	US\$ Million
- Pre-tax profit	34,584	16,892
	=====	=====

BANK OF AMERICA, NATIONAL ASSOCIATION
HONG KONG BRANCH
December 31, 2018