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(For Official Use Only)																	

**SECRET**  
under the Banking Ordinance

**RETURN ON MARKET RISK AND CVA RISK CAPITAL CHARGE**

**\*COMBINED / CONSOLIDATED RETURN**

As at \_\_\_\_\_

\* Delete which is not appropriate. Combined and consolidated returns are defined in the completion instructions.

Name of Authorized Institution	Date of Submission
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**The Banking Ordinance**

Information requested in this return is required under section 63(2) of the Banking Ordinance. The return should be submitted to the Monetary Authority not later than 1 month after the end of each month, unless otherwise advised by the Monetary Authority.

*Note: This return is to be prepared in accordance with the completion instructions issued by the Monetary Authority*

We certify that this return is, to the best of our knowledge and belief, correct.

_____ <i>Chief Accountant</i>	_____ <i>Chief Executive</i>
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_____ <i>Name</i>	_____ <i>Name</i>
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*Name and telephone number of responsible person who may be contacted by the Monetary Authority in case of any query*

_____ <i>Name</i>	_____ <i>Telephone Number</i>
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**Part I: Market Risk Capital Charge**

**Division A: Market Risk Capital Charge under the STM Approach**

(HK\$'000)

Item		Market risk capital charge		
		(1)	(2)	(3)
1.	<b>The ultimate sensitivities-based method (SBM) capital charge</b> , of which			
	(a) SBM delta risk capital charge:			
	(i) General interest rate risk			
	(ii) Credit spread risk for non-securitizations			
	(iii) Credit spread risk for securitizations (CTP)			
	(iv) Credit spread risk for securitizations (non-CTP)			
	(v) Equity risk			
	(vi) Commodity risk			
	(vii) Foreign exchange risk			
	(b) SBM vega risk capital charge:			
	(i) General interest rate risk			
	(ii) Credit spread risk for non-securitisations			
	(iii) Credit spread risk for securitisations (CTP)			
	(iv) Credit spread risk for securitisations (non-CTP)			
	(v) Equity risk			
	(vi) Commodity risk			
	(vii) Foreign exchange risk			
	(c) SBM curvature risk capital charge:			
	(i) General interest rate risk			
	(ii) Credit spread risk for non-securitisations			
	(iii) Credit spread risk for securitisations (CTP)			
	(iv) Credit spread risk for securitisations (non-CTP)			
	(v) Equity risk			
	(vi) Commodity risk			
	(vii) Foreign exchange risk			
2.	<b>Residual risk add-on (RRAO)</b> , of which			
	(a) positions with an exotic underlying			
	(b) positions bearing other residual risks			
3.	<b>Standardized default risk charge (SA-DRC)</b> , of which			
	(a) non-securitization exposures			
	(b) securitization: non-CTP exposures			
	(c) securitization: CTP exposures			
4.	<b>Other capital charges calculated on a standalone basis</b>			
5.	<b>Capital surcharge</b>			
6.	<b>Total market risk capital charge under the STM Approach</b>			
7.	<b>Total risk-weighted amount for market risk under the STM Approach (Item 6 x 12.5)</b>			

Division B: STM Approach - SBM  
B.1 General interest rate risk ("GIRR")

(HK\$'000)											
Item	Currency		Correlation scenario								
			Medium scenario			High scenario			Low scenario		
			SBM delta risk (1)	SBM vega risk (2)	SBM curvature risk (3)	SBM delta risk (4)	SBM vega risk (5)	SBM curvature risk (6)	SBM delta risk (7)	SBM vega risk (8)	SBM curvature risk (9)
Bucket-level capital charge											
1	Hong Kong dollars	HKD									
	US dollars	USD									
	Chinese renminbi	CNY									
	Australian dollars	AUD									
	Canadian dollars	CAD									
	Euro	EUR									
	Japanese yen	JPY									
	New Zealand dollars	NZD									
	Pound sterling	GBP									
	Singapore dollars	SGD									
	Swiss francs	CHF									
	+ Insert a currency that does not list above										
	+ Insert a currency that does not list above										
	...										
2	Total:										
3	SBM capital charge for GIRR										

## B.2 Credit spread risk (non-securitization)

(HK\$'000)

Item	Bucket	Credit quality	Sector	Correlation scenario								
				Medium scenario			High scenario			Low scenario		
				SBM delta risk (1)	SBM vega risk (2)	SBM curvature risk (3)	SBM delta risk (4)	SBM vega risk (5)	SBM curvature risk (6)	SBM delta risk (7)	SBM vega risk (8)	SBM curvature risk (9)
Bucket-level capital charge												
1	1	Investment grade	Sovereigns including central banks, multilateral development banks									
	2		Local government, government-backed non-financials, education, public administration									
	3		Financials including government-backed financials									
	4		Basic materials, energy, industrials, agriculture, manufacturing, mining and quarrying									
	5		Consumer goods and services, transportation and storage, administrative and support service activities									
	6		Technology and telecommunications									
	7		Health care, utilities, professional and technical activities									
	8		Qualifying covered bonds									
	9	Non-investment grade & unrated	Sovereigns including central banks, multilateral development banks									
	10		Local government, government-backed non-financials, education, public administration									
	11		Financials including government-backed financials									
	12		Basic materials, energy, industrials, agriculture, manufacturing, mining and quarrying									
	13		Consumer goods and services, transportation and storage, administrative and support service activities									
	14		Technology and telecommunications									
	15		Health care, utilities, professional and technical activities									
	16	Other sector										
	17	Investment grade indices										
	18	Non-investment grade indices										
2	Total:											
3	SBM capital charge for credit spread risk (non-securitization)											

**B.3 Credit spread risk (securitization: CTP)**

(HK\$'000)

Item	Bucket	Credit quality	Sector	Correlation scenario								
				Medium scenario			High scenario			Low scenario		
				SBM delta risk (1)	SBM vega risk (2)	SBM curvature risk (3)	SBM delta risk (4)	SBM vega risk (5)	SBM curvature risk (6)	SBM delta risk (7)	SBM vega risk (8)	SBM curvature risk (9)
Bucket-level capital charge												
1	1	Investment grade	Sovereigns including central banks, multilateral development banks									
	2		Local government, government-backed non-financials, education, public administration									
	3		Financials including government-backed financials									
	4		Basic materials, energy, industrials, agriculture, manufacturing, mining and quarrying									
	5		Consumer goods and services, transportation and storage, administrative and support service activities									
	6		Technology and telecommunications									
	7		Health care, utilities, professional and technical activities									
	8		Qualifying covered bonds									
	9	Non-investment grade & unrated	Sovereigns including central banks, multilateral development banks									
	10		Local government, government-backed non-financials, education, public administration									
	11		Financials including government-backed financials									
	12		Basic materials, energy, industrials, agriculture, manufacturing, mining and quarrying									
	13		Consumer goods and services, transportation and storage, administrative and support service activities									
	14		Technology and telecommunications									
	15		Health care, utilities, professional and technical activities									
	16		Other sector									
2	Total:											
3	SBM capital charge for credit spread risk (securitization: CTP)											

**B.4 Credit spread risk (securitization: non-CTP)**

(HK\$'000)

Item	Bucket	Credit quality	Sector	Correlation scenario								
				Medium scenario			High scenario			Low scenario		
				SBM delta risk (1)	SBM vega risk (2)	SBM curvature risk (3)	SBM delta risk (4)	SBM vega risk (5)	SBM curvature risk (6)	SBM delta risk (7)	SBM vega risk (8)	SBM curvature risk (9)
Bucket-level capital charge												
1	1	Senior investment grade	RMBS – Prime									
	2		RMBS – Mid-prime									
	3		RMBS – Sub-prime									
	4		Commercial mortgage-backed securities (CMBS)									
	5		Asset-backed securities (ABS) – Student loans									
	6		ABS – Credit cards									
	7		ABS – Auto									
	8		CLO non-CTP									
	9	Non-senior investment grade	RMBS – Prime									
	10		RMBS – Mid-prime									
	11		RMBS – Sub-prime									
	12		CMBS									
	13		ABS – Student loans									
	14		ABS – Credit cards									
	15		ABS – Auto									
	16		CLO non-CTP									
	17	Non-investment grade & unrated	RMBS – Prime									
	18		RMBS – Mid-prime									
	19		RMBS – Sub-prime									
	20		CMBS									
	21		ABS – Student loans									
	22		ABS – Credit cards									
	23		ABS – Auto									
	24		CLO non-CTP									
	25	Other sector										
2	Total:											
3	SBM capital charge for credit spread risk (securitization: non-CTP)											

**B.5 Equity risk**

(HK\$'000)

Item	Bucket	Market cap	Economy	Sector	Correlation scenario								
					Medium scenario			High scenario			Low scenario		
					SBM delta risk (1)	SBM vega risk (2)	SBM curvature risk (3)	SBM delta risk (4)	SBM vega risk (5)	SBM curvature risk (6)	SBM delta risk (7)	SBM vega risk (8)	SBM curvature risk (9)
Bucket-level capital charge													
1	1	Large	Emerging market economy	Consumer goods and services, transportation and storage, administrative and support service activities, healthcare, utilities									
	2			Telecommunications, industrials									
	3			Basic materials, energy, agriculture, manufacturing, mining and quarrying									
	4			Financials including government-backed financials, real estate activities, technology									
	5		Advanced economy	Consumer goods and services, transportation and storage, administrative and support service activities, healthcare, utilities									
	6			Telecommunications, industrials									
	7			Basic materials, energy, agriculture, manufacturing, mining and quarrying									
	8			Financials including government-backed financials, real estate activities, technology									
	9	Small	Emerging market economy	All sectors described under bucket numbers 1, 2, 3 and 4									
	10		Advanced economy	All sectors described under bucket numbers 5, 6, 7 and 8									
	11	Other sector											
	12	Large market capitalisation, advanced economy equity indices (non-sector specific)											
	13	Other equity indices (non-sector specific)											
2	Total:												
3	SBM capital charge for equity risk												

B.6 Commodity risk

(HK\$'000)

Item	Bucket	Commodity bucket	Correlation scenario								
			Medium scenario			High scenario			Low scenario		
			SBM delta risk (1)	SBM vega risk (2)	SBM curvature risk (3)	SBM delta risk (4)	SBM vega risk (5)	SBM curvature risk (6)	SBM delta risk (7)	SBM vega risk (8)	SBM curvature risk (9)
Bucket-level capital charge											
1	1	Energy – Solid combustibles									
	2	Energy – Liquid combustibles									
	3	Energy – Electricity and carbon trading									
	4	Freight									
	5	Metals – non-precious									
	6	Gaseous combustibles									
	7	Precious metals (including gold)									
	8	Grains and oilseed									
	9	Livestock and dairy									
	10	Softs and other agriculturals									
	11	Other commodity									
2	Total:										
3	SBM capital charge for commodity risk										



## B.7 Foreign exchange risk

### (a) SBM delta and SBM curvature risk

Item

1 Did your institution adopt a base currency during the reporting period? (Note (1))

(Yes/No)

2 If yes, please indicate the base currency adopted.

(HK\$'000)

Item	Currency (Note (2))	Correlation scenario					
		Medium scenario		High scenario		Low scenario	
		SBM delta risk (1)	SBM curvature risk (2)	SBM delta risk (3)	SBM curvature risk (4)	SBM delta risk (5)	SBM curvature risk (6)
Bucket-level capital charge							
3	Hong Kong dollars	HKD					
	US dollars	USD					
	Chinese renminbi	CNY					
	Australian dollars	AUD					
	Canadian dollars	CAD					
	Euro	EUR					
	Japanese yen	JPY					
	New Zealand dollars	NZD					
	Pound sterling	GBP					
	Singapore dollars	SGD					
	Swiss francs	CHF					
	+ Insert a currency that does not list above						
	+ Insert a currency that does not list above						
...							
4	Total:						

Note:

(1) The use of a base currency is subject to the approval of the MA.

(2) It represents the currency against Hong Kong dollars if the reporting institution did not adopt any base currency. Otherwise, it represents the currency against the base currency.

## B.7 Foreign exchange risk

### (b) SBM vega risk

(HK\$'000)

Item	Currency pair	Correlation scenario		
		Medium scenario (1)	High scenario (2)	Low scenario (3)
Bucket-level capital charge				
1	AUD/JPY			
	AUD/USD			
	EUR/JPY			
	EUR/USD			
	GBP/JPY			
	USD/CNY			
	USD/HKD			
	+ Insert a currency pair that does not list above			
	+ Insert a currency pair that does not list above			
...				
2	SBM vega risk capital charge for foreign exchange risk			
3	SBM capital charge for foreign exchange risk			

### (c) Structural foreign exchange positions excluded from the market risk capital charge

	Amount of structural position excluded		Amount of position that perfectly neutralises the sensitivity of the capital ratio to movements in exchange rate of the currency against Hong Kong dollars	
	in the original currency '000 (1)	in HKD'000 equivalent (2)	in the original currency '000 (3)	in HKD'000 equivalent (4)
Currency (Note(1))				
+ Insert a currency				
+ Insert a currency				
...				

Note: (1) It represents the currency against Hong Kong dollars.

**Division C: STM Approach - RRAO**

(HK\$'000)

Item	Positions subject to RRAO	Positions with an exotic underlying	Positions bearing other residual risks
		(1)	(2)
1	Sum of the gross (long plus short) notional amounts		
2	RRAO risk weight	1.00%	0.10%
3	RRAO		

**Division D: STM Approach - SA-DRC**

**D.1 SA-DRC (non-securitization)**

(HK\$'000)

			Exposures to corporates					Exposures to sovereigns					Exposures to local governments and municipalities				
Item	Classes		Sum of net jump-to-default risk amounts		Default risk weight  (3)	Sum of risk-weighted net jump-to-default risk amounts		Sum of net jump-to-default risk amounts		Default risk weight  (8)	Sum of risk-weighted net jump-to-default risk amounts		Sum of net jump-to-default risk amounts		Default risk weight  (13)	Sum of risk-weighted net jump-to-default risk amounts	
			Long (1)	Short (2)		Long (4)	Short (5)	Long (6)	Short (7)		Long (9)	Short (10)	Long (11)	Short (12)		Long (14)	Short (15)
1	1.1	Credit quality 1			0.5%					0.5%					0.5%		
	1.2	Credit quality 2			2%					2%					2%		
	1.3	Credit quality 3			3%					3%					3%		
	1.4	Credit quality 4			6%					6%					6%		
	1.5	Credit quality 5			15%					15%					15%		
	1.6	Credit quality 6			30%					30%					30%		
	1.7	Credit quality 7			50%					50%					50%		
	1.8	Unrated			15%					15%					15%		
	1.9	Defaulted			100%					100%					100%		
	1.10	Exposures to sovereigns, public sector entities and multilateral development banks subject to a default risk weight of 0% under section 281S(4) of the BCR			0%					0%					0%		
2	Hedge benefit ratio																
3	Bucket level SA-DRC																
4	SA-DRC (non-securitization exposures)																

**D.2 SA-DRC (securitization: non-CTP)**

(HK\$'000)

			Bucket-level SA-DRC			
			Region			
			Asia (1)	Europe (2)	North America (3)	Other regions (4)
Item	Asset class					
1	1.1	Asset-backed commercial paper (ABCP)				
	1.2	Auto loans/leases				
	1.3	Residential mortgage-backed securities (RMBS)				
	1.4	Credit cards				
	1.5	Commercial mortgage-backed securities (CMBS)				
	1.6	Collateralised loan obligations				
	1.7	Collateralised debt obligations (CDO) squared				
	1.8	Small-and-medium sized corporates				
	1.9	Student loans				
	1.10	Other retail				
	1.11	Other wholesale				
	1.12	The unique bucket for all corporates (excluding small-and-medium sized corporates), regardless of their region				
2	SA-DRC (securitization: non-CTP)					

### D.3 SA-DRC (securitization: CTP)

(HK\$'000)

Item		Credit index or underlying basket	Bucket-level SA-DRC
1	1.1	+ Insert a credit index or underlying basket	
	1.2	+ Insert a credit index or underlying basket	
	...		
2		<b>SA-DRC (securitization: CTP)</b>	

Division E: IMA

E.1 Market risk capital charge under the IMA

(A) Calculation of market risk capital charge

(HK\$'000)

Item	Nature of items	Capital charge		Number of backtesting exceptions for the last 250 trading days		Multiplication factor	Total market risk capital charge
		End of month value	Average value over the last 60 trading days (for item 1 and 2) or over the last 12 weeks (for item 3)	Based on actual profit & loss	Based on hypothetical profits & loss		
		(a)	(b)	(c)	(d)	(e)	(f)
1.	<b>Modellable risk factors</b>						
	1.1 Unconstrained ES capital charge at the portfolio-wide level						
	1.2 Sum of constrained ES capital charges at the risk class level						
	1.3 Market risk capital charge for all modellable risk factors						
2.	<b>Non-modellable risk factors ("NMRFs")</b>						
	2.1 Stress scenario capital charge for idiosyncratic credit spread NMRFs						
	2.2 Stress scenario capital charge for idiosyncratic equity NMRFs						
	2.3 Stress scenario capital charge for NMRFs other than the NMRFs under item 2.1 and 2.2						
	2.4 Market risk capital charge for all NMRFs						
3.	<b>Default risk charge</b>						
4.	<b>Capital surcharge for yellow trading desks</b>						
5.	Market risk capital charge under the STM approach for green and yellow trading desks						
6.	Market risk capital charge under the STM approach for red trading desks and trading desks not subject to the approval of the use of the IMA						
7.	Market risk capital charge under the STM approach for all trading desks						
8.	<b>Other capital charges calculated on a standalone basis</b>						
9.	<b>Capital surcharge</b>						
10.	<b>Total market risk capital charge</b>						
11.	<b>Total risk-weighted amount for market risk (Item 10 x 12.5)</b>						

**E.1 Market risk capital charge under the IMA**

**(B) Constrained ES capital charge at the risk class level for modellable risk factors**

(HK\$'000)

Item	Risk class	End-of-month value (1)	Average value over the last 60 trading days (2)
1	General interest rate risk		
2	Credit spread risk		
3	Equity risk		
4	Commodity risk		
5	Foreign exchange risk		

**(C) Stress scenario capital charge for NMRFs other than the idiosyncratic equity and credit spread NMRFs**

(HK\$'000)

Item	Risk class	End of month value	
		Sum of the stress scenario capital charge (1)	Sum of the square of the stress scenario capital charge (2)
1	General interest rate risk		
2	Credit spread risk		
3	Equity risk		
4	Commodity risk		
5	Foreign exchange risk		



## E.2 Backtesting exceptions at the portfolio-wide level over the last 250 trading days

(HK\$'000)

[illegible]

### E.3 Largest daily losses over the quarter

(HK\$'000)

Date (DD/MM/YYYY)	Amount of loss (absolute value)	One-day 99% VaR
(1)	(2)	(3)

E.4 Trading desk details

Desk ID

Description of the desk

				(HK\$'000)
Desk-level capital charge under STM Approach	SBM capital charge		(1)	
	RRAO		(2)	
	SA-DRC		(3)	
	Total		(4)	
Desk-level backtesting	One-day 99% VaR		(5)	
	Number of exceptions	Based on actual profit & loss	(6)	
		Based on hypothetical profits & loss	(7)	
	One-day 97.5% VaR		(8)	
	Number of exceptions	Based on actual profit & loss	(9)	
		Based on hypothetical profits & loss	(10)	
Profit and loss attribution test	Spearman correlation metric		(11)	
	Kolmogorov-Smirnov distribution test metric		(12)	
	Zone (Green/Yellow/Red)		(13)	

**Division F: Market Risk Capital Charges under the SSTM Approach**

(HK\$'000)

Item		Risk category		Capital charge (1)	Scaling factor (2)	Total market risk capital charge (3)
1	1.1	Interest rate exposures	Specific risk	Non-securitization exposures that do not fall within a correlation trading portfolio and that are not n <sup>th</sup> -to-default credit derivative contracts		
	1.2			Securitization exposures that do not fall within a correlation trading portfolio		
	1.3			Non-securitization exposures that are n <sup>th</sup> -to-default credit derivative contracts (excluding those that fall within a correlation trading portfolio)		
	1.4		General market risk			
	1.5		Options exposures	Simplified approach: long option contract with a related position in the underlying exposure of the option contract		
	1.6			Simplified approach: long call or long put option contracts		
	1.7			Delta-plus approach: gamma and vega risks		
	1.8		Total			1.3
2	2.1	Equity exposures	Specific risk			
	2.2		General market risk			
	2.3		Options exposures	Simplified approach: long option contract with a related position in the underlying exposure of the option contract		
	2.4			Simplified approach: long call or long put option contracts		
	2.5			Delta-plus approach: gamma and vega risks		
	2.6		Total			3.5
3	3.1	Foreign exchange exposures	General market risk			
	3.2		Options exposures	Simplified approach: long option contract with a related position in the underlying exposure of the option contract		
	3.3			Simplified approach: long call or long put option contracts		
	3.4			Delta-plus approach: gamma and vega risks		
	3.5		Total			1.2
4	4.1	Commodity exposures	General market risk			
	4.2		Options exposures	Simplified approach: long option contract with a related position in the underlying exposure of the option contract		
	4.3			Simplified approach: long call or long put option contracts		
	4.4			Delta-plus approach: gamma and vega risks		
	4.5		Total			1.9
5		Other capital charges calculated on a standalone basis				
6		Capital surcharge				
7		Total market risk capital charge under the SSTM approach				
8		Total risk-weighted amount for market risk under the SSTM approach (Item 7 x 12.5)				

**Division G: SSTM Approach - Interest Rate Exposures (Trading Book)**

**G.1 Interest rate exposures - specific risk**

**(a) Non-securitization exposures that do not fall within a correlation trading portfolio and that are not n<sup>th</sup>-to-default credit derivative contracts**

(HK\$'000)

Item	Classes (Note (1))	Positions	Exposures by market risk capital charge factor for specific risk						Total market risk capital charge for specific risk	
			(0.00%)	Residual maturity			(8.00%)	(12.00%)		To be specified ( % )
				6 months or less	Over 6 months to 24 months	Over 24 months				
			(0.25%)	(1.00%)	(1.60%)					
Sovereign (including sovereign foreign public sector entities)										
1.1	Credit quality grade 1 or 2	Long								
		Short								
1.2	Credit quality grade 3 or 4	Long								
		Short								
1.3	Credit quality grade 5 or 6	Long								
		Short								
1.4	Credit quality grade 7	Long								
		Short								
1.5	Unrated	Long								
		Short								
Qualifying										
1.6	Issued by multilateral development banks	Long								
		Short								
1.7	Issued by public sector entities (excluding sovereign foreign public sector entities)	Long								
		Short								
1.8	Issued by banks	Long								
		Short								
1.9	Issued by securities firms	Long								
		Short								
1.10	Issued by corporates	Long								
		Short								
Non-qualifying										
1.11	Credit quality grade 5	Long								
		Short								
1.12	Credit quality grade 6	Long								
		Short								
1.13	Unrated	Long								
		Short								
1.14	TOTAL (Items 1.1 to 1.13)	Long								
		Short								
1.15	Market risk capital charge factor		0.00%	0.25%	1.00%	1.60%	8.00%	12.00%	____%	
1.16	TOTAL MARKET RISK CAPITAL CHARGE FOR SPECIFIC RISK FOR INTEREST RATE EXPOSURES (ON GROSS POSITIONS - LONG PLUS SHORT)									

Note: (1) For debt-related option contracts, the delta-weighted positions should be reported above or, if the reporting institution engages only in the purchase of option contracts as defined in the completion instructions, such option contracts can be carved out and reported in Division K.1.

G.1 Interest rate exposures - specific risk

(b) Securitization exposures that do not fall within a correlation trading portfolio (Note) (HK\$'000)

Item	
1	Total market risk capital charge for specific risk

Note: Securitization exposures include re-securitization exposures unless otherwise stated.

**G.1 Interest rate exposures - specific risk**

**(c) Non-securitization exposures that are n<sup>th</sup>-to-default credit derivative contracts (excluding those that fall within a correlation trading portfolio)**

(HK\$'000)

Item	Classes (Note (1))	Positions	Exposures by market risk capital charge factor for specific risk						Total market risk capital charge for specific risk	
				Residual maturity						To be specified (%)
				6 months or less	Over 6 months to 24 months	Over 24 months				
			(0.00%)	(0.25%)	(1.00%)	(1.60%)	(8.00%)	(12.00%)		
Sovereign (including sovereign foreign public sector entities)										
1.1	Credit quality grade 1 or 2	Long								
		Short								
1.2	Credit quality grade 3 or 4	Long								
		Short								
1.3	Credit quality grade 5 or 6	Long								
		Short								
1.4	Credit quality grade 7	Long								
		Short								
1.5	Unrated	Long								
		Short								
Qualifying										
1.6	Issued by multilateral development banks	Long								
		Short								
1.7	Issued by public sector entities (excluding sovereign foreign public sector entities)	Long								
		Short								
1.8	Issued by banks	Long								
		Short								
1.9	Issued by securities firms	Long								
		Short								
1.10	Issued by corporates	Long								
		Short								
Non-qualifying										
1.11	Credit quality grade 5	Long								
		Short								
1.12	Credit quality grade 6	Long								
		Short								
1.13	Unrated	Long								
		Short								
1.14	TOTAL (Items 1.1 to 1.13)	Long								
		Short								
1.15	Market risk capital charge factor		0.00%	0.25%	1.00%	1.60%	8.00%	12.00%	____%	
1.16	MARKET RISK CAPITAL CHARGE FOR SPECIFIC RISK FOR INTEREST RATE EXPOSURES	Long								
		Short								
1.17	APPLICABLE TOTAL MARKET RISK CAPITAL CHARGE FOR SPECIFIC RISK FOR INTEREST RATE EXPOSURES (Note (2))									

Note: (1) For debt-related option contracts, the delta-weighted positions should be reported above or, if the reporting institution engages only in the purchase of option contracts as defined in the completion instructions, such option contracts can be carved out and reported in Division K.1.  
(2) The applicable market risk capital charge for specific risk (i.e. Item 1.17) of the institution is calculated as the sum of the market risk capital charge for the gross (i.e. long + short) positions reported in the last column of Item 1.16.

**G.2 Interest rate exposures - general market risk**

**Currency :** \_\_\_\_\_ (separate form for each currency)

**Maturity method**

(HK\$'000)

Zone	Time band	Coupon		Individual positions						Risk-weight	Risk-weighted positions		
		Coupon of not less than 3% per annum	Coupon of less than 3% per annum	Debt securities & debt-related derivative contracts		Interest rate derivative contracts		Total			Long	Short	
				Long	Short	Long	Short	Long	Short				
1	1	≤1 month	≤1 month							0.00%			
	2	>1 to 3 months	>1 to 3 months							0.20%			
	3	>3 to 6 months	>3 to 6 months							0.40%			
	4	>6 to 12 months	>6 to 12 months							0.70%			
2	5	>1 to 2 years	>1.0 to 1.9 years							1.25%			
	6	>2 to 3 years	>1.9 to 2.8 years							1.75%			
	7	>3 to 4 years	>2.8 to 3.6 years							2.25%			
3	8	>4 to 5 years	>3.6 to 4.3 years							2.75%			
	9	>5 to 7 years	>4.3 to 5.7 years							3.25%			
	10	>7 to 10 years	>5.7 to 7.3 years							3.75%			
	11	>10 to 15 years	>7.3 to 9.3 years							4.50%			
	12	>15 to 20 years	>9.3 to 10.6 years							5.25%			
	13	>20 years	>10.6 to 12 years							6.00%			
	14		>12 to 20 years							8.00%			
	15		>20 years							12.50%			
TOTAL													
OVERALL NET OPEN RISK-WEIGHTED POSITION													

Calculation	Vertical disallowance	Horizontal disallowance in			Horizontal disallowance between			Overall net open risk-weighted position	Total market risk capital charge for general market risk
		Zone 1	Zone 2	Zone 3	Zones 1 & 2	Zones 2 & 3	Zones 1 & 3		
TOTAL MARKET RISK CAPITAL CHARGE FOR GENERAL MARKET RISK FOR INTEREST RATE EXPOSURES									

Note: For debt-related option contracts, the delta-weighted positions should be reported above or, if the reporting institution engages only in the purchase of option contracts as defined in the completion instructions, such option contracts can be carved out and reported in Division K.1.

**Division H: SSTM Approach - Equity Exposures (Trading Book)**

(HK\$'000)

Item	Nature of item	Positions	Stock or futures exchanges					Total
			Hong Kong	Outside Hong Kong (Note (1))				
1.	Common stocks	Long						
		Short						
2.	Convertible securities	Long						
		Short						
3.	Commitments to buy or sell equities and equity forward contracts	Long						
		Short						
4.	Equity swap contracts (Note (2))	Long						
		Short						
5.	Futures contracts relating to equity indices	Long						
		Short						
6.	Futures contracts relating to individual equities	Long						
		Short						
7.	Option contracts relating to equity indices (Note (3))	Long						
		Short						
8.	Option contracts relating to individual equities (Note (3))	Long						
		Short						
9.	Others	Long						
		Short						
TOTAL		Long						
		Short						

**Calculation**

(A)	Gross (long plus short) positions						
	Market risk capital charge factor	8%	8%	8%	8%	8%	
	Market risk capital charge for specific risk						
(B)	Net long or short positions (in absolute value)						
	Market risk capital charge factor	8%	8%	8%	8%	8%	
	Market risk capital charge for general market risk						
TOTAL MARKET RISK CAPITAL CHARGE FOR EQUITY EXPOSURES							

- Note: (1) The reporting institution should report its equity exposures on an exchange-by-exchange basis (i.e. separate column for each stock or futures exchange) and use separate reporting form(s) if the columns of this form are not enough.
- (2) Where an equity swap contract involves a leg requiring the receipt or payment of fixed or floating rate interest, that leg should be regarded as an interest rate exposure and reported in Division G.2.
- (3) For equity-related option contracts, the delta-weighted positions should be reported above or, if the reporting institution engages only in the purchase of option contracts as defined in the completion instructions, such option contracts can be carved out and reported in Division K.1.



**Division I: SSTM Approach - Foreign Exchange Exposures**

**A. Market risk capital charge calculations**

(HK\$'000)

Currency		Net long (short) position excluding option contracts			Option contracts	Total net long (short) position
		Hong Kong offices Note (1)	Overseas branches Note (1)	Subsidiaries Note (1)	Net delta-weighted positions of option contracts Note (2)	
US dollars	USD					
Pound sterling	GBP					
Japanese yen	JPY					
Euro	EUR					
Chinese renminbi	CNY					
Canadian dollars	CAD					
Swiss francs	CHF					
Australian dollars	AUD					
Singapore dollars	SGD					
New Zealand dollars	NZD					
Gold	GOL					
Foreign currencies not separately specified above						
Hong Kong dollars	HKD					
Sum of net long / short positions						
USD / HKD position						
Adjusted sum of net long / short positions						

**Calculation**

1.	Adjusted sum of net long / short positions	
2.	Net position in gold (in absolute value)	
3.	Total net open position (Item 3 = Item 1 + Item 2 )	
4.	Market risk capital charge factor	8%
<b>TOTAL MARKET RISK CAPITAL CHARGE FOR FOREIGN EXCHANGE EXPOSURES</b>		

- Note:
- (1) Figures are extracted from Part I columns 5, 7 and 8 (where applicable) of the Return of Foreign Currency Position (MA(BS)6) but reported in HK\$'000, subject to any applicable adjustments specified in paragraphs 5(b), 61 and 62 of the completion instructions for the Form MA(BS)3A(I): Divisions G to K.
  - (2) For exchange rate-related option contracts, the delta-weighted positions are reported above or, if the reporting institution engages only in the purchase of option contracts as defined in the completion instructions, such option contracts can be carved out and reported in Division K.1.

B. Structural foreign exchange positions excluded from the market risk capital charge

	Amount of structural position excluded		Amount of position that perfectly neutralises the sensitivity of the capital ratio to movements in exchange rate of the currency against Hong Kong dollars	
	in the original currency '000 (1)	in HKD'000 equivalent (2)	in the original currency '000 (3)	in HKD'000 equivalent (4)
Currency (Note(1))				
+ Insert a currency				
+ Insert a currency				
...				

Note: (1) It represents the currency against Hong Kong dollars.

**Division J: SSTM Approach - Commodity Exposures**

(HK\$'000)

Item	Nature of items	Long position	Short position	Net long or short position (in absolute value)	Gross long plus short position	Market risk capital charge factor		Total market risk capital charge for commodity exposures
						Net position	Gross position	
		(1)	(2)	(3) = (1) - (2)	(4) = (1) + (2)	(5)	(6)	(7) = (3) x (5) + (4) x (6)
1.	Platinum					15%	3%	
2.	Silver					15%	3%	
3.	Other precious metals (excluding gold) _____					15%	3%	
4.	Other precious metals (excluding gold) _____					15%	3%	
5.	Base metals and non-precious metals _____					15%	3%	
6.	Base metals and non-precious metals _____					15%	3%	
7.	Energy _____					15%	3%	
8.	Energy _____					15%	3%	
9.	Agricultural assets _____					15%	3%	
10.	Agricultural assets _____					15%	3%	
<b>TOTAL MARKET RISK CAPITAL CHARGE FOR COMMODITY EXPOSURES</b>								

- Note:
- (1) Where a commodity swap contract involves a leg requiring the receipt or payment of fixed or floating rate interest, that leg should be regarded as an interest rate exposure and reported in Division G.2, with the commodity exposure being included in the particular commodity above.
  - (2) For commodity-related option contracts, the delta-weighted positions should be reported above or, if the reporting institution engages only in the purchase of option contracts as defined in the completion instructions, such option contracts can be carved out and reported in Division K.1.
  - (3) The reporting institution should use separate form(s) for reporting of items 3 to 10 above if the rows of this form are not enough.

**Division K: SSTM Approach - Option Exposures**

**K.1 Simplified approach** *(For reporting institutions which purchase only option contracts as defined in the completion instructions.)*

**1(a) Long option contract with a related position in the underlying exposure of the option contract**

Report the market risk capital charge for each option contract as well as the related position in the underlying exposure below.

Market risk capital charge = (Fair value of the underlying exposure of the option contract) x (Sum of the market risk capital charge factors for general market risk and specific risk for the underlying exposure) –  
(The amount by which the option contract is in-the-money)

(HK\$'000)

Item	Nature of the underlying exposure	Market risk capital charge factor		Long underlying exposure & long put option contract	Short underlying exposure & long call option contract	Total market risk capital charge
		Specific risk	General market risk			
1.1	Debt instruments (Note (1))	0.00% (Note(2))	Note (3)			
		0.25% (Note(2))	Note (3)			
		1.00% (Note(2))	Note (3)			
		1.60% (Note(2))	Note (3)			
		8.00% (Note(2))	Note (3)			
		12.00% (Note(2))	Note (3)			
		To be specified (Note(2))	Note (3)			
1.2	Interest rate, i.e. non-debt related (Note (1))	0.00%	Note (3)			
1.3	Equity (Note(1))	8.00%	8.00%			
1.4	Foreign exchange	0.00%	8.00%			
1.5	Commodity	0.00%	15.00%			
<b>TOTAL MARKET RISK CAPITAL CHARGE FOR OPTION EXPOSURES</b>						

- Note:
- (1) Only trading book positions should be reported.
  - (2) The classes are same as those in Division G.1(a).
  - (3) The general market risk capital charge should be calculated as per the risk-weights according to the time bands set out in Division G.2.

**K.1 Simplified approach** *(For reporting institutions which purchase only option contracts as defined in the completion instructions.)*

**1(b) Long call or long put option contracts**

Report the market risk capital charge for each option contract below. Such market risk capital charge should be the lesser of (i) the fair value of the underlying exposure of the option contract multiplied by the sum of the market risk capital charge factors for general market risk and specific risk for the underlying exposure of the option contract and (ii) the fair value of the option contract.

(HK\$'000)

Item	Nature of the underlying exposure	Market risk capital charge factor		Long put option contract	Long call option contract	Total market risk capital charge
		Specific risk	General market risk			
1.1	Debt instruments (Note (1))	0.00%	(Note(2))	Note (3)		
		0.25%	(Note(2))	Note (3)		
		1.00%	(Note(2))	Note (3)		
		1.60%	(Note(2))	Note (3)		
		8.00%	(Note(2))	Note (3)		
		12.00%	(Note(2))	Note (3)		
		To be specified	(Note(2))	Note (3)		
1.2	Interest rate, i.e. non-debt related (Note (1))	0.00%		Note (3)		
1.3	Equity (Note(1))	8.00%		8.00%		
1.4	Foreign exchange	0.00%		8.00%		
1.5	Commodity	0.00%		15.00%		
<b>TOTAL MARKET RISK CAPITAL CHARGE FOR OPTION EXPOSURES</b>						

- Note:
- (1) Only trading book positions should be reported.
  - (2) The classes are same as those in Division G.1(a).
  - (3) The general market risk capital charge should be calculated as per the risk-weights according to the time bands set out in Division G.2.

## 2(b) Equity option contracts

**Currency:** \_\_\_\_\_ (separate form for each currency)

(HK\$'000)

Time band		Market risk capital charge for gamma risk (negative gamma impact)	Market risk capital charge for vega risk
Coupon of not less than 3% per annum	Coupon of less than 3% per annum		
≤1 month	≤1 month		
>1 to 3 months	>1 to 3 months		
>3 to 6 months	>3 to 6 months		
>6 to 12 months	>6 to 12 months		
>1 to 2 years	>1.0 to 1.9 years		
>2 to 3 years	>1.9 to 2.8 years		
>3 to 4 years	>2.8 to 3.6 years		
>4 to 5 years	>3.6 to 4.3 years		
>5 to 7 years	>4.3 to 5.7 years		
>7 to 10 years	>5.7 to 7.3 years		
>10 to 15 years	>7.3 to 9.3 years		
>15 to 20 years	>9.3 to 10.6 years		
>20 years	>10.6 to 12 years		
	>12 to 20 years		
	>20 years		
<b>Total 2(a)</b>			

(HK\$'000)

Types of underlying exposure	Market risk capital charge for gamma risk (negative gamma impact)	Market risk capital charge for vega risk
Total 2(b)		

Note: Report the delta-weighted position of option contracts into Divisions G to J as appropriate.

**K.2 Delta-plus approach - gamma and vega risks** *(For reporting institutions which use the delta-plus approach to report option contracts)*

## 2(c) Foreign exchange and gold option contracts

(HK\$'000)

Types of underlying exposure	Market risk capital charge for gamma risk (negative gamma impact)	Market risk capital charge for vega risk
<b>Total 2(c)</b>		

**2(d) Commodity option contracts**

(HK\$'000)

Types of underlying exposure	Market risk capital charge for gamma risk (negative gamma impact)	Market risk capital charge for vega risk
<b>Total 2(d)</b>		

Note: Report the delta-weighted position of option contracts into Divisions G to J as appropriate.

**Part II: CVA Risk Capital Charge**  
**Division A: Reduced Basic CVA Approach**

(HK\$'000)

Item	CVA risk capital charge (1)	Total risk-weighted amount for CVA risk under reduced basic CVA approach (Column (1) x 12.5) (2)
1		

**Division B: Full Basic CVA Approach**

(HK\$'000)

Item	<i>BA_CVA<sub>reduced</sub></i> (1)	<i>BA_CVA<sub>hedged</sub></i> (2)	CVA risk capital charge (3)	Total risk-weighted amount for CVA risk under full basic CVA approach (Column (3) x 12.5) (4)
1				



**Division C: Standardized CVA Approach**

**C.1 Summary of CVA risk capital charge under standardized CVA approach**

(HK\$'000)

Item		CVA risk capital charge	
		(1)	(2)
<b>1.</b>	<b>CVA delta risk capital charge:</b>		
	(a) Interest rate risk		
	(b) Foreign exchange risk		
	(c) Counterparty credit spread risk		
	(d) Reference credit spread risk		
	(e) Equity risk		
	(f) Commodity risk		
<b>2.</b>	<b>CVA vega risk capital charge:</b>		
	(a) Interest rate risk		
	(b) Foreign exchange risk		
	(c) Reference credit spread risk		
	(d) Equity risk		
	(e) Commodity risk		
<b>3.</b>	<b>Total CVA delta and vega risk capital charge</b>		
<b>4.</b>	<b>m<sub>CVA</sub></b>		
<b>5.</b>	<b>Total CVA risk capital charge under standardized CVA approach (Item 3 x Item 4)</b>		
<b>6.</b>	<b>Total risk-weighted amount for CVA risk under standardized CVA approach (Item 5 x 12.5)</b>		

## C.2 Interest rate risk

(HK\$'000)

Item	Currency	CVA delta risk (1)	CVA vega risk (2)
<b>Bucket-level capital charge</b>			
1	Hong Kong dollars HKD		
	US dollars USD		
	Chinese renminbi CNY		
	Australian dollars AUD		
	Canadian dollars CAD		
	Euro EUR		
	Japanese yen JPY		
	New Zealand dollars NZD		
	Pound sterling GBP		
	Singapore dollars SGD		
	Swiss francs CHF		
	+ Insert a currency that does not list above		
	+ Insert a currency that does not list above		
2	<b>Total:</b>		
3	<b>CVA risk capital charge for interest rate risk</b>		

### C.3 Foreign exchange risk

(HK\$'000)

Item	Currency (Note (1))	CVA delta risk (1)	CVA vega risk (2)
<b>Bucket-level capital charge</b>			
1	US dollars USD		
	Chinese renminbi CNY		
	Australian dollars AUD		
	Canadian dollars CAD		
	Euro EUR		
	Japanese yen JPY		
	New Zealand dollars NZD		
	Pound sterling GBP		
	Singapore dollars SGD		
	Swiss francs CHF		
	+ Insert a currency that does not list above		
	+ Insert a currency that does not list above		
2	<b>Total:</b>		
3	<b>CVA risk capital charge for foreign exchange risk</b>		

Note:

(1) It represents the currency against Hong Kong dollars.

#### C.4 Counterparty credit spread risk

				(HK\$'000)
Item	Bucket	Sector	Credit quality	Bucket-level CVA delta risk capital charge
1	1	Sovereigns including central banks, multilateral development banks	(a) Investment grade	
			(b) Non-investment grade & unrated	
	Local government, government-backed non-financials, education, public administration	(a) Investment grade		
		(b) Non-investment grade & unrated		
	2	Financials including government-backed financials	(a) Investment grade	
			(b) Non-investment grade & unrated	
	3	Basic materials, energy, industrials, agriculture, manufacturing, mining and quarrying	(a) Investment grade	
			(b) Non-investment grade & unrated	
	4	Consumer goods and services, transportation and storage, administrative and support service activities	(a) Investment grade	
			(b) Non-investment grade & unrated	
	5	Technology and telecommunications	(a) Investment grade	
			(b) Non-investment grade & unrated	
	6	Health care, utilities, professional and technical activities	(a) Investment grade	
			(b) Non-investment grade & unrated	
	7	Other sector	(a) Investment grade	
			(b) Non-investment grade & unrated	
	8	Qualified indices (non-sector specific)	(a) Investment grade	
			(b) Non-investment grade & unrated	
2	CVA risk capital charge for counterparty credit spread risk			

## C.5 Reference credit spread risk

				(HK\$'000)	
Item	Bucket	Credit quality	Sector	CVA delta risk (1)	CVA vega risk (2)
<b>Bucket-level capital charge</b>					
1	1	Investment grade	Sovereigns including central banks, multilateral development banks		
	2		Local government, government-backed non-financials, education, public administration		
	3		Financials including government-backed financials		
	4		Basic materials, energy, industrials, agriculture, manufacturing, mining and quarrying		
	5		Consumer goods and services, transportation and storage, administrative and support service activities		
	6		Technology and telecommunications		
	7		Health care, utilities, professional and technical activities		
	8	Non-investment grade & unrated	Sovereigns including central banks, multilateral development banks		
	9		Local government, government-backed non-financials, education, public administration		
	10		Financials including government-backed financials		
	11		Basic materials, energy, industrials, agriculture, manufacturing, mining and quarrying		
	12		Consumer goods and services, transportation and storage, administrative and support service activities		
	13		Technology and telecommunications		
	14		Health care, utilities, professional and technical activities		
	15	Other sector			
	16	Investment grade	Qualified indices (non-sector specific)		
	17	Non-investment grade & unrated	Qualified indices (non-sector specific)		
2	<b>Total:</b>				
3	<b>CVA risk capital charge for reference credit spread risk</b>				

## C.6 Equity risk

					(HK\$'000)	
Item	Bucket	Market Cap	Economy	Sector	CVA delta risk (1)	CVA vega risk (2)
Bucket-level capital charge						
1	1	Large	Emerging market economy	Consumer goods and services, transportation and storage, administrative and support service activities, healthcare, utilities		
	2			Telecommunications, industrials		
	3			Basic materials, energy, agriculture, manufacturing, mining and quarrying		
	4			Financials including government-backed financials, real estate activities, technology		
	5		Advanced economy	Consumer goods and services, transportation and storage, administrative and support service activities, healthcare, utilities		
	6			Telecommunications, industrials		
	7			Basic materials, energy, agriculture, manufacturing, mining and quarrying		
	8			Financials including government-backed financials, real estate activities, technology		
	9	Small	Emerging market economy	All sectors described under bucket numbers 1, 2, 3 and 4		
	10		Advanced economy	All sectors described under bucket numbers 5, 6, 7 and 8		
	11	Other sector				
	12	Large market capitalisation, advanced economy equity indices (non-sector specific)				
	13	Other equity indices (non-sector specific)				
2	Total:					
3	CVA risk capital charge for equity risk					

## C.7 Commodity risk

(HK\$'000)

Item	Bucket	Commodity bucket	CVA delta risk (1)	CVA vega risk (2)
<b>Bucket-level capital charge</b>				
1	1	Energy - Solid combustibles		
	2	Energy - Liquid combustibles		
	3	Energy - Electricity and carbon trading		
	4	Freight		
	5	Metals – non-precious		
	6	Gaseous combustibles		
	7	Precious metals (including gold)		
	8	Grains & oilseed		
	9	Livestock & dairy		
	10	Softs and other agriculturals		
	11	Other commodity		
2	<b>Total:</b>			
3	<b>CVA risk capital charge for commodity risk</b>			

Division D: Treatment where Total Notional Amount of the OTC Derivative Transactions not Cleared with a CCP Does not Exceed HKD 1 Trillion on a Permanent Basis

(HK\$'000)

Item	Total notional amount of the institution's OTC derivative transactions that are not cleared with a CCP	Risk-weighted amount for CVA risk
	(1)	(2)
1		