Return of Assets and Liabilities
MA(BS)1, MA(BS)1A and MA(BS)1B

Summary of Proposed Changes

MA(BS)1

1. Consequential change as a result of a proposed reduction in the submission frequency of the external liabilities and claims information

(Return – Cover page and Part IX; Completion instructions – Section A item 3, Section B Part IX)

To facilitate the reduction of the submission frequency of the external liabilities and claims information from a monthly to a quarterly basis, a consequential amendment is now made to collect key external liabilities to and claims on four main countries (namely Mainland China, Japan, United States and United Kingdom) in a new Part IX of the monthly "Return of Assets and Liabilities". Such information is considered pertinent to HKMA's monthly economic analysis for purposes of monitoring cross-border capital flows. AIs are however not required to report on Part IX for quarter-end positions as the same information will be captured in the revised quarterly "Return of External Positions". To allow AIs more time to prepare such data, the submission deadline of Part IX of the Return is one month.

2. Breakdown of selected items by residency status

(Return – Cover page and Part X; Completion instructions – Section A items 3 & 11, Section B Part X)

The delineation between "residents" and "non-residents" is a key feature of all macro-statistical systems. Residents and non-residents exhibit different behavioural patterns which may affect AIs' major balance sheet items. In general, local residents have a more in-depth access to local information to which they are more sensitive. Their behaviour (e.g. withdrawal of deposits) in response to the market information, as reflected by the movement of AIs' balance sheet items, is useful to both international organisations and local governments to carry out their marco-economic analyses.

To allow AIs time to collate data on the residency breakdown of certain asset and liability items, the reporting of such items is centralised in a new Part X of the Return and a one-month reporting deadline is allowed.

3. Breakdown of demand deposits and current accounts into "interest bearing" and "non-interest bearing"
(Return – Part I item 6.1; Completion instructions – Section B item 6.1)

Following interest rate deregulation, some AIs are paying interest on demand deposits and current accounts through the introduction of new deposit products. The proposed change is to allow the HKMA to gain a better understanding of AIs' deposit funding structure based on the product feature of the deposit accounts and also to assess the impact on the money supply (i.e. a shift of savings deposits to interest-earning current accounts) subsequent to the deregulation.

The memorandum item on "Hong Kong dollar customer deposits booked locally" is now deleted following deregulation.

4. Breakdown of NCDs issued into "floating rate" and "fixed rate"
(Return - Part IV item (a)1)

The proposed change is to enable the HKMA to gain a better understanding of AIs' funding structure via the issue of NCDs.

5. "Authorized institutions in Hong Kong" and "Banks outside Hong Kong"
(Completion instructions – Section A items 7(i) and (ii))

To avoid confusion, these two terms are now defined.

6. Dividend paid or declared
(Completion instructions - Section B items 1.2 and 1.3)

The proposed change is to bring the reporting of dividends proposed or declared in line with SSAP9, which requires that institutions should not recognise dividends proposed or declared after the balance sheet date as a liability at the balance sheet date.

7. Deposits from customers
(Completion instructions – Section B item 6)

Clarification is now made that deposits from the Hong Kong Government should be reported as customer deposits while deposits from the Exchange Fund, under the item "Due to Exchange Fund".

8. Repurchase of negotiable debt instruments issued
(Completion instructions – Section B item 9)

To avoid distortion in the calculation of money supply, clarification is now made that AIs should not net off their negotiable debt instruments repurchased for trading or market-making purpose against the outstanding issues.

9. Holdings of non-negotiable debt instruments
(Completion instructions – Section B item 15)

Clarification is made that holdings of debt instruments which are not negotiable should be regarded as loans and advances.

10. Repo transactions where all the risks and rewards of ownership are substantially transferred to the buyer
(Completion instructions – Section B Part V items (a) and (c), Part VIII item (d), Annex 1)

Guidance is now provided for the reporting of repos, the terms of which transfer substantially all the risks and rewards of the ownership of the securities to the buyer. This is to give recognition to such repo transactions, in line with the accounting treatment under SSAP24.

11. Other amendments include the clarification of the reporting treatment on the net-off of Exchange Fund Bills and Notes and some presentational changes.

MA(BS)1A

1. Returns by overseas branches of locally incorporated authorized institutions
(Return MA(BS)1A – Cover page; Completion instructions – Section A item 3)

The frequency of such reporting is proposed to be reduced from a quarterly basis to half yearly, to the extent that the quarterly data can be supplemented by management information. This should help alleviate the reporting burden of locally incorporated AIs with overseas branches.

July 2002

S

SECRET

Co. No. MM YY

(For Official Use Only)

under the Banking Ordinance and the Monetary Statistics Ordinance

RETURN OF ASSETS AND LIABILITIES OF AN AUTHORIZED INSTITUTION

FOR POSITION OF THE HONG KONG OFFICE(S) OF AN AUTHORIZED INSTITUTION

As at .....
(last day of the month)

Parts reported in this submission	***(please tick)***
Parts I to VIII	☐
Parts IX to X	☐

Name of Authorized Institution	Date of Submission

The Banking Ordinance and the Monetary Statistics Ordinance

Return required under section 63(1)(a) of the Banking Ordinance and sections 3(1) and 3(2) of the Monetary Statistics Ordinance to be submitted to the Monetary Authority not later than 14 days after the last day of each calendar month. ***Information required under Parts IX and X may be separately submitted to the Monetary Authority not later than 1 month after the last day of each calendar month.***

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.

Chief Accountant	*Chief Executive*
Name	*Name*

Name and telephone number of responsible person who may be contacted by the Monetary Authority in case of any query.

Name	*Telephone Number*

(HK$'000)

	HK$	US$	Other Currencies	Total
		(HK$ equivalent)		
I. LIABILITIES				
1. Capital and reserves				
1.1 Paid up capital				
1.2 Reserves				
1.3 Current profit/losses				
1.4 Total				
2. Qualifying capital instruments				
3. Other capital-type instruments				
4. Notes in circulation				
5. Due to Exchange Fund				
a. Repayable or callable within 1 month				
b. Between 1 and 3 months				
c. Later than 3 months				
d. Total				
6. Deposits from customers				
6.1 Demand deposits and current accounts				
a. Interest bearing				
b. Non-interest bearing				
c. Total				
6.2 Savings deposits				
6.3 Time, call and notice deposits				
a. Repayable or callable within 7 days				
b. Between 8 days and 1 month				
c. Between 1 and 3 months				
d. Later than 3 months				
e. Total				
6.4 Total deposits from customers				
7. Amount payable under repos				
7.1 Authorized institutions in Hong Kong				
7.2 Banks outside Hong Kong				
7.3 Non-bank customers (including the Exchange Fund)				
7.4 Total				
8. Due to banks				
8.1 Authorized institutions in Hong Kong connected with the reporting institution				
a. Payable on demand and money at call				
b. Repayable or callable within 1 month, other than (a)				
c. Between 1 and 3 months				
d. Later than 3 months				
e. Total				
8.2 Other authorized institutions in Hong Kong				
a. Payable on demand and money at call				
b. Repayable or callable within 1 month, other than (a)				
c. Between 1 and 3 months				
d. Later than 3 months				
e. Total				

(HK$'000)

	HK$	US$	Other Currencies	Total
		(HK$ equivalent)		
8.3 Overseas offices of the reporting institution				
a. Payable on demand and money at call				
b. Repayable or callable within 1 month, other than (a)				
c. Between 1 and 3 months				
d. Later than 3 months				
e. Total				
8.4 Other banks outside Hong Kong				
a. Payable on demand and money at call				
b. Repayable or callable within 1 month, other than (a)				
c. Between 1 and 3 months				
d. Later than 3 months				
e. Total				
8.5 Total balances due to banks				
9. Negotiable debt instruments issued and outstanding				
9.1 Negotiable certificates of deposit (NCDs)				
a. Due within 1 month				
b. Between 1 and 3 months				
c. Between 3 months and 1 year				
d. Later than 1 year				
e. Total liabilities on NCDs				
9.2 Other negotiable debt instruments				
a. Due within 1 month				
b. Between 1 and 3 months				
c. Later than 3 months				
d. Total				
9.3 Total				
10. Other liabilities				
10.1 Accrued interest payable				
10.2 Suspense items				
10.3 Others				
10.4 Total				
11. Total liabilities				
II. <u>ASSETS</u>				
12. Cash				
13. Government certificate of indebtedness for notes issued				
14. Due from Exchange Fund				
a. Repayable or callable within 1 month				
b. Between 1 and 3 months				
c. Later than 3 months				
d. Total				
15. Loans and advances to customers				
15.1 Loans to finance imports to Hong Kong, and exports and re-exports from Hong Kong				
15.2 Loans to finance merchandising trade (trade transactions not touching Hong Kong)				
15.3 Other loans for use in Hong Kong				

(HK$'000)

	HK$	US$	Other Currencies	Total
		(HK$ equivalent)		
15.4 Other loans for use outside Hong Kong				
15.5 Other loans where the place of use is not known, and where the customer is in Hong Kong				
15.6 Other loans where the place of use is not known, and where the customer is outside Hong Kong				
15.7 Total loans and advances to customers				
a. Overdrafts				
b. Other loans repayable on demand				
c. Other loans due within 1 month				
d. Between 1 and 3 months				
e. Between 3 months and 1 year				
f. Later than 1 year				
g. Total (=15.1+15.2+15.3+15.4+15.5+15.6)				
16. Amount receivable under reverse repos				
16.1 Authorized institutions in Hong Kong				
16.2 Banks outside Hong Kong				
16.3 Non-bank customers (including the Exchange Fund)				
16.4 Total				
17. Due from banks (other than holdings of negotiable debt instruments)				
17.1 Authorized institutions in Hong Kong connected with the reporting institution				
a. Payable on demand and money at call				
b. Repayable or callable within 1 month, other than (a)				
c. Between 1 and 3 months				
d. Later than 3 months				
e. Total				
17.2 Other authorized institutions in Hong Kong				
a. Payable on demand and money at call				
b. Repayable or callable within 1 month, other than (a)				
c. Between 1 and 3 months				
d. Later than 3 months				
e. Total				
17.3 Overseas offices of the reporting institution				
a. Payable on demand and money at call				
b. Repayable or callable within 1 month, other than (a)				
c. Between 1 and 3 months				
d. Later than 3 months				
e. Total				
17.4 Other banks outside Hong Kong				
a. Payable on demand and money at call				
b. Repayable or callable within 1 month, other than (a)				
c. Between 1 and 3 months				
d. Later than 3 months				
e. Total				
17.5 Total balances due from banks				
18. Negotiable certificates of deposit (NCDs) held				
18.1 Issued by licensed banks in Hong Kong				
18.2 Issued by restricted licence banks in Hong Kong				
18.3 Issued by deposit-taking companies in Hong Kong				

(HK$'000)

	HK$	US$	Other Currencies	Total
		(HK$ equivalent)		
18.4 Issued by authorized institutions in Hong Kong				
a. Due within 1 month				
b. Between 1 and 3 months				
c. Between 3 months and 1 year				
d. Later than 1 year				
e. Total (=18.1+18.2+18.3)				
18.5 Issued by banks outside Hong Kong				
a. Due within 1 month				
b. Between 1 and 3 months				
c. Between 3 months and 1 year				
d. Later than 1 year				
e. Total				
18.6 Total NCDs held				
19. All negotiable debt instruments held, other than NCDs				
19.1 Floating rate notes held (other than holdings reported under 19.4)				
a. Issued by authorized institutions in Hong Kong				
b. Issued by other non-bank institutions in Hong Kong				
c. Issued by banks outside Hong Kong				
d. Issued by non-bank institutions outside Hong Kong				
e. Total				
19.2 Acceptance and bills of exchange held				
a. Accepted or payable by banks (including restricted licence banks and deposit-taking companies)				
1. To finance exports from Hong Kong				
2. Others				
b. Accepted or payable by non-banks				
1. To finance exports from Hong Kong				
2. Others				
c. Total				
19.3 Commercial paper held				
a. Issued in Hong Kong				
b. Issued outside Hong Kong				
c. Total				
19.4 Government bills, notes and bonds				
a. Issued in Hong Kong				
b. Issued outside Hong Kong				
c. Total				
19.5 Other debt instruments held				
a. Issued in Hong Kong				
b. Issued outside Hong Kong				
c. Total				
19.6 All negotiable debt instruments held, other than NCDs				
a. Due within 1 month				
b. Between 1 and 3 months				
c. Later than 3 months				
d. Total (=19.1e+19.2c+19.3c+19.4c+19.5c)				

(HK$'000)

	HK$	US$	Other Currencies	Total
		(HK$ equivalent)		
20. Investments				
20.1 Investments in shareholdings				
a. Listed				
b. Unlisted				
c. Total				
20.2 Other investments				
20.3 Total (=20.1c+20.2)				
21. Interests in land and buildings				
21.1 Bank premises				
21.2 Other interests in land and buildings				
21.3 Total				
22. Other assets				
22.1 Accrued interest receivable				
22.2 Fixed assets				
22.3 Suspense items				
22.4 Others				
22.5 Total				
23. Total assets				
24. Less: Provisions				
25. Total assets less provisions				

(HK$'000)

	HK$	US$	Other Currencies	Total
		(HK$ equivalent)		
Memorandum items (III – ~~VIII~~ ***X***)				
III. Foreign currency swap and HK$ customer deposits (those simultaneously being reported in liabilities item 6, except items (a)2 and ***(b)*** ~~(c)~~ below)				
(a) Foreign currency swap deposits from customers				
1. Booked locally				
2. Booked offshore				
~~(b) Hong Kong dollar customer deposits booked locally (For completion by licensed banks only)~~				
~~1. Governed by the interest rate rules of the Hong Kong Association of Banks~~				
~~2. Not governed by the interest rate rules of the Hong Kong Association of Banks~~				
~~(c)~~ ***(b)*** Hong Kong dollar customer deposits booked offshore				
IV. Changes in liability and holding of NCDs (liability item 9.1 and asset item 18)				
(a) Changes in the reporting institution's liability on NCDs during the month				
1. Issued by the institution of its own NCDs				
a. Floating rate NCDs				
b. Fixed rate NCDs				
c. Total				
2. Redemption of the institution's own NCDs (including early redemption and final redemption)				
3. Change in the institution's liability on NCDs in the month (=1***c***-2)				
(b) Changes in the reporting institution's holding of NCDs during the month				
1. Purchases by the institution in the primary market				
a. Issued by licensed banks in Hong Kong				
b. Issued by restricted licence banks in Hong Kong				
c. Issued by deposit-taking companies in Hong Kong				
d. Issued by banks outside Hong Kong				
e. Total				
2. Purchases by the institution in the secondary market				
a. In Hong Kong				
b. Outside Hong Kong				
c. Total				
3. Sales by the institution in the secondary market				
a. In Hong Kong				
b. Outside Hong Kong				
c. Total				

(HK$'000)

	HK$	US$	Other Currencies	Total
		(HK$ equivalent)		
4. Final redemption of NCDs held by the institution				
a. Issued by authorized institutions in Hong Kong				
b. Issued by banks outside Hong Kong				
c. Total				
5. Total (=1e+2c-3c-4c)				
V. Value of securities				
(a) Securities sold under repo agreements				
1. Government bills, notes and bonds				
2. NCDs				
3. Other debt instruments				
4. Total				
(b) Unmatured purchases of securities				
1. Government bills, notes and bonds				
2. NCDs				
a. Issued by licensed banks in Hong Kong				
b. Issued by restricted licence banks in Hong Kong				
c. Issued by deposit-taking companies in Hong Kong				
d. Issued by banks outside Hong Kong				
e. Total				
3. Other debt instruments				
4. Total				
(c) Securities acquired under reverse repo agreements				
1. Government bills, notes and bonds				
2. NCDs				
3. Other debt instruments				
4. Total				
(d) Unmatured sales of securities				
1. Government bills, notes and bonds				
2. NCDs				
a. Issued by licensed banks in Hong Kong				
b. Issued by restricted licence banks in Hong Kong				
c. Issued by deposit-taking companies in Hong Kong				
d. Issued by banks outside Hong Kong				
e. Total				
3. Other debt instruments				
4. Total				
VI. Market makers' short position				
(a) Hong Kong Government bills, notes and bonds				

(Parts VII and VIII are to be completed by institutions incorporated outside Hong Kong only)

	Principal Amount HK$'000	Principal Amount HK$'000
VII. Residential mortgages		
(a) Residential mortgage loans		
(b) Securities backed by, or participations in, residential mortgages		
(c) Total residential mortgages		
VIII. Off-balance sheet exposures		
(a) Direct credit substitutes		
(b) Transaction-related contingent items		
(c) Trade-related contingent items		
(d) Sale and repurchase agreements; assets sales or other transactions with recourse; forward asset purchases; amounts owing on partly paid shares and securities; and forward forward deposits placed		
(e) Note issuance and revolving underwriting facilities		
(f) Other commitments		
1. With an original maturity of under 1 year or are unconditionally cancellable		
2. With an original maturity of 1 year and over		
(g) Exchange rate and gold contracts		
(h) Interest rate contracts		
(i) Equity contracts		
(j) Precious metals other than gold contracts		
(k) Commodities other than precious metals and gold contracts		
(l) Total off-balance sheet exposures		

(HK$'000)

	HK$	US$	Other Currencies	Total
		(HK$ equivalent)		
IX. Breakdown of liabilities to and claims on banks and non-banks				
(a) Liabilities to banks outside Hong Kong				
1. China				
2. Japan				
3. United States				
4. United Kingdom				
(b) Liabilities to non-bank customers outside Hong Kong				
1. China				
2. Japan				
3. United States				
4. United Kingdom				
(c) Claims on banks outside Hong Kong				
1. China				
2.. Japan				
3. United States				
4. United Kingdom				
(d) Claims on non-bank customers outside Hong Kong				
1. China				
2. Japan				
3. United States				
4. United Kingdom				

(HK$'000)

		HK$	US$	Other Currencies	Total
			(HK$ equivalent)		
X. Breakdown of liability and asset items by residency					
Liability item reference					
6.1	***Demand deposits and current accounts***				
	i. Hong Kong residents				
	ii. non-Hong Kong residents				
6.2	***Savings deposits***				
	i. Hong Kong residents				
	ii. non-Hong Kong residents				
6.3	***Time, call and notice deposits***				
	i. Hong Kong residents				
	ii. non-Hong Kong residents				
7.3	***Amount payable under repos – non-bank customers (including the Exchange Fund)***				
	i. Hong Kong residents				
	ii. non-Hong Kong residents				
9.1	***NCDs issued and outstanding***				
	i. Hong Kong residents				
	ii. non-Hong Kong residents				
11	***Total liabilities***				
	i. Hong Kong residents				
	ii. non-Hong Kong residents				
Asset item reference					
15.7	***Total loans and advances to customers***				
	i. Hong Kong residents				
	ii. non-Hong Kong residents				
16.3	***Amount receivable under reverse repos – non-bank customers (including the Exchange Fund)***				
	i. Hong Kong residents				
	ii. non-Hong Kong residents				
19.2b	***Acceptance and bills of exchange held – accepted or payable by non-banks***				
	1. To finance exports from Hong Kong				
	i. Hong Kong residents				
	ii. non-Hong Kong residents				
	2. Others				
	i. Hong Kong residents				
	ii. non-Hong Kong residents				
20.3	***Total investments***				
	i. Hong Kong residents				
	ii. non-Hong Kong residents				
23	***Total assets***				
	i. Hong Kong residents				
	ii. non-Hong Kong residents				

V

SECRET

Co. No. Place MM YY

(For Official Use Only)

under the Banking Ordinance

RETURN OF ASSETS AND LIABILITIES OF AN AUTHORIZED INSTITUTION

FOR POSITION OF THE OVERSEAS BRANCH(ES) IN .....
(overseas country)

As at .....
(last day of ~~the quarter~~ ***June/December***)

Name of Authorized Institution	**Date of Submission**

The Banking Ordinance

Return required under section 50(1)(a) of the Banking Ordinance to be submitted to the Monetary Authority not later than 1 month after ~~the end of each quarter ending on 31 March,~~ 30 June~~, 30 September~~ and 31 December ***each year*** 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.

Chief Accountant *Chief Executive*

Name *Name*

Name and telephone number of responsible person who may be contacted by the Monetary Authority in case of any query.

Name *Telephone Number*

		HK$'000
I.	LIABILITIES	
1.	Capital from head office	
2.	Statutory reserves	
3.	Due to Exchange Fund	
	a. Repayable or callable within 1 month	
	b. Between 1 and 3 months	
	c. Later than 3 months	
	d. Total	
4.	Deposits from customers	
5.	Amount payable under repos	
	5.1 Authorized institutions in Hong Kong	
	5.2 Banks outside Hong Kong	
	5.3 Non-bank customers (including the Exchange Fund)	
	5.4 Total	
6.	Due to banks	
	6.1 Head office	
	6.2 Other branches	
	6.3 Authorized institutions in Hong Kong	
	6.4 Banks outside Hong Kong	
	6.5 Total	
7.	Negotiable debt instruments issued and outstanding	
	7.1 Negotiable certificates of deposit (NCDs)	
	7.2 Other negotiable debt instruments	
	7.3 Total	
8.	Other liabilities	
9.	Total liabilities	
II.	ASSETS	
10	Cash	
11.	Due from Exchange Fund	
	a. Repayable or callable within 1 month	
	b. Between 1 and 3 months	
	c. Later than 3 months	
	d. Total	
12.	Loans and advances to customers	
13.	Amount receivable under reverse repos	
	13.1 Authorized institutions in Hong Kong	
	13.2 Banks outside Hong Kong	
	13.3 Non-bank customers (including the Exchange Fund)	
	13.4 Total	

	HK$'000
14. Due from banks	
14.1 Head office	
14.2 Other branches	
14.3 Authorized institutions in Hong Kong	
14.4 Banks outside Hong Kong	
14.5 Total	
15. Negotiable debt instruments held	
15.1 Negotiable certificates of deposit held	
15.2 Other negotiable debt instruments held	
15.3 Total	
16. Investments	
16.1 Shares	
16.2 Others	
16.3 Total	
17. Interests in land and buildings	
18. Other assets	
19. Total assets	
20. Less : Provisions	
21. Total assets less provisions	

O

SECRET

Co. No. MM YY

(For Official Use Only)

under the Banking Ordinance

COMBINED RETURN OF ASSETS AND LIABILITIES OF AN AUTHORIZED INSTITUTION

FOR POSITION OF THE LOCAL OFFICES AND OVERSEAS BRANCHES OF AN AUTHORIZED INSTITUTION

As at .....
(last day of the quarter)

Name of Authorized Institution	Date of Submission

The Banking Ordinance

Return required under section 63(2) of the Banking Ordinance to be submitted to the Monetary Authority not later than 6 weeks after the end of each quarter ending on 31 March, 30 June, 30 September and 31 December, 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.

Chief Accountant *Chief Executive*

Name *Name*

Name and telephone number of responsible person who may be contacted by the Monetary Authority in case of any query.

Name *Telephone Number*

		HK$'000
I.	LIABILITIES	
1.	Capital and reserves	
2.	Qualifying capital instruments	
3.	Other capital-type instruments	
4.	Notes in circulation	
5.	Due to Exchange Fund	
	a. Repayable or callable within 1 month	
	b. Between 1 and 3 months	
	c. Later than 3 months	
	d. Total	
6.	Deposits from customers	
7.	Amount payable under repos	
	7.1 Authorized institutions in Hong Kong	
	7.2 Banks outside Hong Kong	
	7.3 Non-bank customers (including the Exchange Fund)	
	7.4 Total	
8.	Due to banks	
	8.1 Authorized institutions in Hong Kong	
	8.2 Banks outside Hong Kong	
	8.3 Total	
9.	Negotiable debt instruments issued and outstanding	
	9.1 Negotiable certificates of deposit (NCDs)	
	9.2 Other negotiable debt instruments	
	9.3 Total	
10.	Other liabilities	
11.	Total liabilities	
II.	ASSETS	
12	Cash	
13.	Government certificates of indebtedness for notes issued	
14.	Due from Exchange Fund	
	a. Repayable or callable within 1 month	
	b. Between 1 and 3 months	
	c. Later than 3 months	
	d. Total	
15.	Loans and advances to customers	
16.	Amount receivable under reverse repos	
	16.1 Authorized institutions in Hong Kong	
	16.2 Banks outside Hong Kong	
	16.3 Non-bank customers (including the Exchange Fund)	
	16.4 Total	

	HK$'000
17. Due from banks	
17.1 Authorized institutions in Hong Kong	
17.2 Banks outside Hong Kong	
17.3 Total	
18. Negotiable debt instruments held	
18.1 Negotiable certificates of deposit held	
18.2 Other negotiable debt instruments held	
18.3 Total	
19. Investments	
19.1 Shares	
19.2 Others	
19.3 Total	
20. Interests in land and buildings	
21. Other assets	
22. Total assets	
23. Less : Provisions	
24. Total assets less provisions	

Completion Instructions

Returns of Assets and Liabilities
Form MA(BS)1, Form MA(BS)1A, and Form MA(BS)1B

Introduction

1. These completion instructions are applicable to the following 3 return forms: MA(BS)1, MA(BS)1A and MA(BS)1B.

2. Section A gives instructions on the general reporting requirements. Section B explains the reporting requirements for each individual item in the return forms.

Section A : General Instructions

3. The general reporting requirements for the 3 forms are as follows:

Form	To be reported by	Coverage	Reporting frequency and submission deadline
MA(BS)1	All authorized institutions	Positions of the HK offices	Monthly; not later than 14 days ***(except Parts IX and X which may be submitted not later than 1 month)*** after the last day of each calendar month
MA(BS)1A	Overseas branches of locally incorporated institutions	Position of overseas branches in each country	~~Quarterly~~; ***Half yearly***; not later than 1 month after ~~31 March~~, 30 June, ~~30 September~~ and 31 December
MA(BS)1B	Locally incorporated institutions with overseas branches	Combined positions of the HK offices and overseas branches	Quarterly; not later 6 weeks after 31 March, 30 June, 30 September and 31 December

If the submission deadline falls on a public holiday, it will be deferred to the next working day. Report the positions as at the last calendar day of each month/quarter.

4. Except where otherwise stated, book value should be used for reporting these returns. Report figures on an accrual basis and report the gross and not the net position. However, where the accrued interest has been credited to the interest in suspense account instead of the profit and loss account, it should be netted off against the corresponding accounts in suspense whether or not it has been capitalised. Total liabilities must equal total assets less provisions.

5. Institutions should apply consistent accounting policies in compiling the returns. Any change in accounting policies (i.e. different to those used in previous returns or the institution's most recent statutory accounts) should be notified to the Monetary Authority in ~~a covering note accompanying the return~~ ***writing***.

6. Amounts should be shown to the nearest thousand in HK$ or HK$ equivalent in the case of foreign currency items. Transactions denominated in gold should be reported under the column of "other currencies". The closing middle market T/T rates should be used for conversion purposes.

7. For the purposes of these returns:

~~(ii)~~ ***(i)*** "Authorized institutions" refer to institutions authorized under the Banking Ordinance ***and "authorized institutions in Hong Kong" refer to the Hong Kong office of authorized institutions.***

~~(i)~~ ***(ii)*** "Banks" refer to institutions which are regarded by the appropriate supervisory authorities as banks in their place of incorporation, and the central bank of a country. ***"Banks outside Hong Kong" refer to the overseas offices of authorized institutions and banks which are not authorized institutions.***

(iii) "Repo and Reverse Repo" refer to

(a) sale & repurchase agreement ("Repo")/Stock lending
(b) purchase & resale agreement ("Reverse Repo")/Stock borrowing

Report repo/reverse repo by economic substance approach**.** Detailed reporting instructions are provided in Annex 1.

(iv) Report securities transactions by trade date approach. The reporting treatments of unmatured purchases and unmatured sales are provided in Annex 2.

(v) Capital, reserves and profit/loss and general provisions should be reported in the base currency of the reporting institution or in the currency in which the capital is denominated. Specific and country risk provisions should be reported in the currency of the underlying assets against which the provisions are made.

(vi) The aggregate balance of the exchange position accounts (or the so-called "exchange equalisation account") should be reported in the base currency of the reporting institution. This refers to the balancing item which arises due to the need to translate the balance sheet into the base currency for reporting purposes. Report as "other liabilities" in the case of a net credit balance and "other assets" in the case of a net debit balance under item 10.3 or 22.4 of MA(BS)1, item 8 or 18 of MA(BS)1A and item 10 or 21 of MA(BS)1B, as the case may be.

(vii) With the exception of securities transactions, all other unmatured spot or forward contracts are regarded as forward transactions (i.e. off-balance sheet items). Matured but unsettled spot or forward contracts are regarded as spot

transactions (i.e. on-balance sheet items) except for FX margin trading arrangements where such contracts are also regarded as forward transactions.

8. For the purposes of Form MA(BS)1, two institutions are regarded as connected if one institution holds directly or indirectly 20% or more of the voting capital of another institution, or both institutions are members of the same group of companies (items 8.1 and 17.1).

9. For Form MA(BS)1, "overseas offices" refer, in the case of a locally incorporated institution, to its branches and representative offices outside Hong Kong and, in the case of an institution incorporated outside Hong Kong, to its head office and other branches and representative offices outside Hong Kong.

10. For items with maturity classifications, the remaining period to maturity as at reporting date should be used as the basis for reporting. The remaining period to maturity should be counted by reference to calendar days. Some examples are given in Annex 3.

11. Definition of residency:

An individual who has, or will have, resided in Hong Kong for over a consecutive period of one year. The individual's residency in Hong Kong should be supported by his Hong Kong home address for the period of his residency.

A company has its place of productive operations of goods and/or services in Hong Kong for over a consecutive period of one year. The company's productive operations in Hong Kong should be supported by its Hong Kong business address for the period of its residency.

For address in Hong Kong, both temporary address and correspondence address should not be considered unless the residency cannot be ascertained by the reporting institution.

For negotiable debt instruments issued by the reporting institution, they should, to the extent possible, be allocated on the basis of the residency of the holder. Where this cannot be ascertained, the place of issue may be used as a proxy of residence.

Section B : Specific Instructions

Item Reference			Item
Form MA(BS)1	Form MA(BS)1A	Form MA(BS)1B	
I.	I.	I.	**LIABILITIES**
-	-	1.	Capital & reserves This is the sum of paid-up capital, reserves and current profit/(loss) of the institution as a whole.
1.1	-	-	Paid-up capital Report all the paid-up share capital of the authorized institution at nominal paid-up value. This includes ordinary and preference share capital.
1.2	-	-	Reserves Report all published reserves, including retained earnings, general reserves, revaluation reserves and share premium accounts but exclude provisions however described. ***The amount to be included shall be net of any dividends paid or declared (i.e. on or before the reporting date) out of retained earnings.*** Accumulated losses, if any, should also be reported in this item. Subsequent changes of published reserves should be confirmed by auditors.
1.3	-	-	Current profits/losses Report any balance in the current year's profit and loss account (which should be the same as the amount reported in item ~~18~~ ***17*** of the Return of Current Year's Profit & Loss Account [MA(BS)1C]) less any dividend which has been paid or declared ***(i.e. on or before the reporting date)*** out of the current year's profit or, in the case of an institution incorporated overseas, any amount which has been remitted back to the head office. Unaudited profit/loss of the previous year, net of dividends paid and declared, should also be reported in this item.

Item Reference			**Item**
Form MA(BS)1	Form MA(BS)1A	Form MA(BS)1B	
2.	-	2.	Qualifying capital instruments This comprises other capital instruments accepted by the Monetary Authority for capital adequacy ratio purposes, e.g. perpetual subordinated debt and qualifying term subordinated debt. Report the book value of these instruments.
3.	-	3.	Other capital-type instruments This comprises loan capital and capital instruments other than those qualifying capital instruments reported in item 2 of MA(BS)1 and MA(BS)1B.
4.	-	4.	Notes in circulation This comprises bank notes issued by the reporting institution.
-	1.	-	Capital from head office Report balances which are of a capital nature due to the head office in Hong Kong.
-	2.	-	Statutory reserves Report all statutory reserves required by local laws in the country where the reporting overseas branch is located.
5.	3.	5.	Due to Exchange Fund Report balances due to the Exchange Fund. Where balances due to the Exchange Fund arise from repo transactions with HKMA for ~~Liquidity Adjustment Facility (LAF)~~ ***Discount Window*** purposes, they should be reported under item 7 of MA(BS)1 and MA(BS)1B and item 5 of M(BS)1A.
6.	4.	6.	Deposits from customers Report all deposit liabilities (including balances denominated in gold) due to parties other than banks and other authorized institutions. ***Include deposits from the Hong Kong Government (e.g. The Treasury) but exclude deposits from the***

Item Reference			Item
Form MA(BS)1	Form MA(BS)1A	Form MA(BS)1B	
			Exchange Fund, which should be reported under item 5 of MA(BS)1 and MA(BS)1B and item 3 of MA(BS)1A. Exclude negotiable debt instruments issued by the reporting institution. Exclude also cash margins which do not form part of the savings, current or other deposit accounts. "Cash margins" refers to cash collateral pledged by a customer for obtaining general banking facilities such as leveraged foreign exchange trading. Such amounts should be reported under ~~"other liabilities – others"~~ ***item 10.3 of MA(BS)1, item 8 of MA(BS)1A and item 10 of MA(BS)1B.*** However, where the cash margins form part of the deposit accounts, they should be reported under this item. The term "deposit" is defined in section 2 of the Banking Ordinance.
6.1	-	-	***Demand deposits and current accounts*** ***Report all demand deposits and current accounts, analysing them into interest bearing and non-interest bearing, based on the product feature of the deposit accounts. Interest bearing deposits shall continue to be classified as such even though the prevailing interest rates offered on them fall to zero or the depositors are not entitled to receive interest because the average balance of their deposits is below a minimum threshold specified by the reporting institution.***
7.	5.	7.	Amount payable under repos Report the amount payable to the counterparty under "repo" transactions.
8.	6.	8.	Due to banks This includes ***interbank takings and*** borrowings from other authorized institutions in Hong Kong, banks abroad, and overseas head office and branches of the reporting institution. Negotiable debt instruments issued by the reporting institution should be reported in item 9 of MA(BS)1 and MA(BS)1B and item 7 of MA(BS)1A. In the case of an institution incorporated overseas, balances due to head office which are of a capital nature

Item Reference			**Item**
Form MA(BS)1	Form MA(BS)1A	Form MA(BS)1B	
			should be reported under item 8.3 of MA(BS)1.
9.	***7.***	***9.***	***Negotiable debt instruments issued and outstanding*** ***If the negotiable debt instruments are repurchased by the issuer itself for market making purposes, they should not be netted off under this item. They should however be reported under item 18 or 19 of MA(BS)1, item 15.1 or 15.2 of MA(BS)1A and item 18.1 or 18.2 of MA(BS)1B, as the case may be.***
9.1	7.1	9.1	Negotiable certificates of deposit (NCDs) This comprises all outstanding NCDs issued by the reporting institution.
9.2	7.2	9.2	Other negotiable debt instruments This refers to negotiable securities, other than shares, stocks or negotiable certificates of deposits, issued by the reporting institution. These include instruments such as promissory notes, bonds, bills, bankers' acceptances, etc.
10.	8.	10.	Other liabilities Report all other liabilities of the reporting institution that have not been reported elsewhere, ~~including its net short positions of each issue in Exchange Fund Bills and Notes, Hong Kong Government Bonds and other money and capital market instruments~~. For MA(BS)1A only, the current year's profit/loss and any unremitted profit/loss of the reporting branch(es) should also be reported in this item.
10.1	-	-	Accrued interest payable Report all accrued interest payable.
10.2	-	-	Suspense items This comprises all credit balances not in customers'

Item Reference			Item
Form MA(BS)1	Form MA(BS)1A	Form MA(BS)1B	
			names but relating to customers' funds, e.g. accounts holding customers' funds awaiting investment, meeting acceptances or other payments. Exclude interest in suspense which has been netted off from the corresponding accounts.
10.3	-	-	Others Report all other liabilities of the reporting institution that have not been reported elsewhere including its net short positions of ~~each~~ ***individual*** issues in Exchange Fund Bills and Notes, Hong Kong Government Bonds and other money and capital market instruments, ***i.e. netting between long and short position in different issues is not required***. Cash margins (which do not form any part of the savings, current or other deposit account) held by the reporting institution for the provision of credit facilities should be reported under this item. Include also the amount payable on unmatured spot and forward purchases of securities.
11.	9.	11.	Total liabilities This is the total of items 1 to 10 of MA(BS)1 and MA(BS)1B and items 1 to 8 of MA(BS)1A.
II.	**II.**	**II.**	**ASSETS**
12.	10.	12.	Cash Report holdings of all notes and coins in any currency.
13.	-	13.	Government certificates of indebtedness for notes issued Report holdings of Hong Kong Government certificates of indebtedness for bank notes issued.

Item Reference			Item
Form MA(BS)1	Form MA(BS)1A	Form MA(BS)1B	
14.	11.	14.	Due from Exchange Fund Report all balances due from the Exchange Fund.
15.	12.	15.	Loans and advances to customers Report all loans and advances to customers other than the Exchange Fund, banks and other authorized institutions in gross amount. ***Holdings of debt instruments which are not negotiable should be regarded as loans and advances.*** However, interest in suspense should be netted off against the corresponding loan accounts where the accrued interest has been capitalised. Do not deduct provisions for bad and doubtful debts. Exclude holdings of negotiable bills accepted or payable by banks or non-banks which should be reported as negotiable debt instruments.
15.3	-	-	Other loans for use in Hong Kong A loan is regarded as for use in Hong Kong if it finances or has a direct impact on the economic activity of Hong Kong. This is usually determined by the place of business of the customer or by the place in which the loan is drawn.
15.5 & 15.6	-	-	***Other loans where the place of use is not known*** Include in item 15.5 all other loans to a customer in Hong Kong which are not included in item 15.1 or item 15.2 and the place of use is unknown; include in item 15.6 if the loans are made to a customer outside Hong Kong and the place of use is unknown.
15.7	-	-	***Total loans and advances to customers*** All loans, with the exception of overdrafts, are to be classified according to their residual maturity. Loans to the extent of the amount which is actually overdue should be reported under item 15.7b. Institution should note that the instructions for reporting overdue loans in the Return of Loans and Advances and Provisions [MA(BS)2A] and in the

Item Reference			Item
Form MA(BS)1	Form MA(BS)1A	Form MA(BS)1B	
			Maturity Profile [MA(BS)1G] are not the same as those mentioned above.
16.	13.	16.	Amount receivable under reverse repos Report the amount receivable from the counterparty under "reverse repo" transactions.
17.	14.	17.	Due from banks Report all placements with ***and advances to*** authorized institutions in Hong Kong, banks abroad and overseas head office and branches of the reporting institution but exclude holdings of negotiable certificates of deposit and other negotiable debt instruments issued by these parties. For locally incorporated institutions, balances due from overseas offices which are of a capital nature (i.e. capital injection) should be reported under item 17.3 of MA(BS)1. Holdings of export trade bills accepted and payable by banks should be reported in item 19.2 of MA(BS)1, item 15.2 of MA(BS)1A and item 18.2 of MA(BS)1B.
18.	15.1	18.1	Negotiable certificates of deposit (NCDs) held Report all holdings of NCDs issued by authorized institutions in Hong Kong and banks abroad. Such holdings are to be reported in nominal values. The difference between the nominal value and the book value should be reported in item 10.3 or 22.4 of MA(BS)1, item 8 or 18 of MA(BS)1A and item 10 or 21 of MA(BS)1B as appropriate. NCDs issued by non-banks are regarded as other debt instruments.
19.	15.2	***18.2*** ~~7.2~~	Other negotiable debt instruments held, other than NCDs Report holdings of all other negotiable debt instruments (such as floating rate notes, acceptances, bills of exchange, commercial paper, government debt securities and other negotiable debt instruments), other than NCDs, issued by authorized institutions, banks abroad, non-bank institutions in and outside Hong Kong and

Item Reference			Item
Form MA(BS)1	Form MA(BS)1A	Form MA(BS)1B	
			governments.
19.2	-	-	Acceptances and bills of exchange held Report all acceptances and bills of exchange held (i.e. excluding those held as collateral for a loan and advance) by the reporting institution. Bills under own acceptances which have been discounted by the reporting institution itself should be reported as loans to customers on whose behalf the acceptances have been committed.
19.3	-	-	Commercial papers held Commercial paper is defined as a general debt obligation in the form of a promissory bearer note issued at a discount or interest-bearing basis by non-bank institutions. Its term to maturity is usually very short ranging from 30 to 90 days.
19.4	-	-	Government bills, notes and bonds Report all net long positions of ~~each~~ ***individual*** issues in bills, notes and bonds issued by central and local governments including the Exchange Fund, ***i.e. netting between long and short position in different issues is not required.***
19.5	-	-	Other debt instruments held Report all holdings of negotiable debt instruments not included elsewhere, e.g. corporate bonds, convertible loan stocks etc.
20.1	16.1	19.1	Investments in shares Report all holdings of share capital of any other company owned (i.e. excluding those held as collateral for a loan or advance) by the reporting institution. This also includes the holdings of capital instruments (e.g. perpetual subordinated debts) and unit trusts which are established specifically for investments in shares.

Item Reference			Item
Form MA(BS)1	Form MA(BS)1A	Form MA(BS)1B	
20.2	16.2	19.2	Other investments Report all other investments not included elsewhere. This includes gold, debentures and other securities.
21.	17.	20.	Interests in land and buildings Report bank premises (including those for providing housing or amenities for staff of the reporting institution) and other interests in land and buildings, net of depreciation, owned by the reporting institution.
-	18.	21.	Other assets Report all other assets of the reporting institution not included elsewhere.
22.1	-	-	Accrued interest receivable Report all accrued interest receivables. Exclude accrued interest which has not been recognised in the profit and loss account but credited as interest in suspense.
22.2	-	-	Fixed assets This comprises plant and equipment, vehicles, vessels, furniture and fixtures and other fixed assets. The fixed assets should be reported net of depreciation.
22.3	-	-	Suspense items This comprises all debit balances not in customers' names but relating to customers' funds, e.g. debit balances awaiting transfer to customers' accounts.

Item Reference			Item
Form MA(BS)1	Form MA(BS)1A	Form MA(BS)1B	
22.4	-	-	Others Report all other assets not included elsewhere. Include also the amounts receivable on unmatured spot and forward sales of securities.
23.	19.	22.	Total assets This is the total of all entries under items 12 to 22 of MA(BS)1, items 10 to 18 of MA(BS)1A and items 12 to 21 of MA(BS)1B.
24.	20.	23.	Less: Provisions Report the provisions set aside for on- and off-balance sheet exposures. Provisions for expenditures, such as provision for taxation, retirement benefits, etc should be reported as other liabilities. General provisions should be reported in the base currency of the reporting institution and other provisions should be reported in the currency of the underlying assets. The amount reported should agree with the amount reported in Part II – item 3 of the Return of Current Year's Profit & Loss Account [MA(BS)1C].
25.	21.	24.	Total assets less provisions This is the net amount of total assets less provisions and should equal to the amount of total liabilities reported under item 11 of MA(BS)1 and MA(BS)1B and item 9 of MA(BS)1A.

For MA(BS)1 only

Item Reference	Item
III – ~~VIII~~ *X*	**Memorandum items**
III.	**Foreign currency swap and HK$ customer deposits**
(a)	***Foreign currency swap deposits from customers***
	For the purpose of this return, a foreign currency swap deposit is defined as any deposit from a customer involving the customer buying at spot a foreign currency against Hong Kong dollars, placing the foreign currency proceeds on deposit and at the same time entering into a forward contract to sell on the maturity of the deposit such foreign currency (principal plus interest) for Hong Kong dollars.
(a)1	Includes foreign currency swap deposits booked locally which have been reported as foreign currency deposits in item 6 of Part I.
(a)2	Includes foreign currency swap deposits booked offshore which have not been reported under item (a)1 above and item 6 of Part I of the Return.
~~(b)~~	~~This is for completion by licensed banks only. The sum of (b)1 and b(2) should be the same as the total of Hong Kong dollar deposits reported in item 6.4 of Part I of the Return.~~
~~(b)2~~	~~Includes Hong Kong dollar deposits which are not governed by the Interest Rate Rules of the Hong Kong Association of Banks.~~
~~(c)~~ ***(b)***	***Hong Kong dollar customer deposits booked offshore***
	This item is for completion by all authorized institutions. It refers to Hong Kong dollar customer deposits arranged by the institution for offshore booking. (These deposits are not reported in item 6 of Part I)
IV.	**Changes in liability and holdings of NCDs (these changes are to be reported in nominal values)**
(b)1	Purchases by the institution in the primary market
	Primary market refers to the market for the initial placing of NCDs with banks or authorized institutions by the group organised to handle the issue.
(b)2/(b)3	Purchases/sales by the institution in the secondary market
	Secondary market refers to the market for the sale and purchase of NCDs after the initial issue in the primary market. Purchases/sales should be reported by reference to the place ~~of transaction~~ ***where the deal is traded*** and not to where the NCDs are issued.

Item Reference	Item

V. Value of securities

NCDs are to be reported in nominal value while other securities are to be reported at book value.

(a) Securities sold under repo agreements

Report the value of securities sold under repo agreements that have been reported under the relevant items in Part II. ***This does not include repo transactions where all the risks and rewards of ownership are substantially transferred to the buyer and which are regarded as outright sales (see Annex 1 (iii) for the reporting treatment of such transactions).***

(b) Unmatured purchases of securities

Report the value of unmatured spot and forward purchases of securities that have been reported under the relevant items in Part II.

(c) Securities acquired under reverse repo agreements

Report the value of securities acquired under reverse repo agreements. ***This does not include reverse repo transactions where the reporting institution has substantially taken up all the risks and rewards of ownership from the seller and which are regarded as outright purchases (see Annex 1(iv) for the reporting treatment of such transactions).***

(d) Unmatured sales of securities

Report the value of unmatured spot and forward sales of securities that have been excluded from the relevant items in Part II.

VI. Market makers' short position

Only authorized institutions that are Market Makers of Exchange Fund Bills/Notes need to report this part. Report the value of net short positions in individual issues of Exchange Fund Bills & Notes, i.e. no netting between long and short position in different issues is required. The short positions in MTRC notes should be excluded.

(Parts VII and VIII are for completion by institutions incorporated overseas only. Definitions for individual items in these Parts can be found in the Third Schedule to the Banking Ordinance.)

Item Reference	Item
VII.	**Residential mortgages**
(a)	Residential mortgage loans Report all loans fully secured by a first legal charge on residential properties.
(b)	Securities backed by, or participations in, residential mortgages Report all residential mortgage-backed securities and participation in a pool of residential mortgages.
VIII.	**Off-balance sheet exposures**
(a)	Direct credit substitutes Direct credit substitutes are any irrevocable off-balance sheet obligations which carry the same credit risk as a direct extension of credit. These include liabilities arising from issue of guarantees, confirming of letters of credit, and issue of standby letters of credit serving as financial guarantees for loans, securities and other financial liabilities. Include also acceptances on accommodation bills but exclude any such bills which have been discounted by the reporting institution itself. Report also risk participation and any other similar commitments where the reporting institution has undertaken to repay the financial obligation of a customer on his failure to do so.
(b)	Transaction-related contingent items Report contingent liabilities arising from an irrevocable obligation to pay to a third-party beneficiary when a customer fails to perform some non-financial contractual obligations, e.g. those arising from performance bonds, bid bonds, warranties and standby letters of credit related to a particular transaction.
(c)	Trade-related contingent items Report contingent liabilities arising from trade related obligations, e.g. letters of credit issued, acceptances on trade bills, shipping guarantees issued and any other trade related contingencies. However, liabilities under letters of credits confirmed should be regarded as direct credit substitutes and be reported under item (a) above.

(d) Sale and repurchase agreements; asset sales or other transactions with recourse; forward asset purchases; amount owing on partly paid shares and securities; and forward forward deposits placed

"Sale and repurchase agreement" ("Repo") is an arrangement whereby an institution sells an asset to a third party with a commitment to repurchase it at an agreed price on an agreed future date. ~~Include only those repo agreements which do not involve securities.~~ Repo agreements involving securities should be reported by adopting "economic substance approach" as set out ~~under paragraph 7~~ ***in Annex 1.***

"Asset sales or other transactions with recourse" include assets sales where the holder of the asset is entitled to 'put' the asset back to the reporting institution within an agreed period or under certain circumstances such as deterioration in the value or credit quality of the asset.

"Forward asset purchases" refer to commitments to purchase, at a specified future date and on prearranged terms, a loan or other asset from another party, including those under a put option written by the reporting institution.

"Amount owing on partly paid shares and securities" refer to the amount which is unpaid on shares and securities owned by the reporting institution and the issuer may call upon the institution to pay any of this amount at a predetermined or unspecified date in the future.

A "forward forward deposit" is an agreement between two parties whereby one will pay and the other will receive at a predetermined future date a deposit at an agreed rate of interest. A commitment to place a forward forward deposit should be reported under this item. For an institution which has contracted to receive the deposit, failure to deliver by the counterparty will result in an unanticipated change in its interest rate exposure and may involve a replacement cost. Its exposure should therefore be accorded the same treatment as interest rate related contracts (see item h below).

(e) Note issuance and revolving underwriting facilities

These are arrangements whereby a borrower may draw down funds up to a prescribed limit over a predefined period through the issue of notes which the reporting institution has committed to underwrite.

(f) Other commitments

Other commitments include the undrawn portion of any binding arrangements which obligate the reporting institution to provide funds at some future date. Commitments with an original maturity of less than 1 year, or which can be unconditionally cancelled at any time - other than where the only reason for cancellation is "force majeure" – should be reported under item (f)1. This also includes any revolving or undated / open-ended commitments, e.g. overdrafts or unused credit card lines, providing that they can be unconditionally cancelled at any time and subject to credit review at least annually. Commitments with an original maturity of 1 year and over should be reported in item (f)2.

Original maturity is defined as the length of time between the date the commitment is made and the earliest date on which the reporting institution can, at its option, unconditionally cancel the commitment.

For the following items (g) to (k), report the notional principal of each contract.

(g) Exchange rate and gold contracts

Exchange rate contracts include cross-currency interest rate swaps, forward foreign exchange contracts, currency futures, currency options purchased and similar instruments. For the purposes of reporting in this item, ***gold*** contracts ~~involving gold~~ should be included.

(h) Interest rate contracts

Interest rate contracts include single-currency interest rate swaps, forward rate agreements, interest rate futures, interest rate options purchased and similar instruments, such as forward forward deposits taken or received by the reporting institution.

(i) Equity contracts

Equity contracts include forwards, swaps, purchased options and similar derivative contracts based on individual equities or on equity indices.

(j) Precious metal other than gold contracts

Precious metal (other than gold) contracts include forwards, swaps, purchased options and similar derivative contracts that are based on precious metals such as silver, platinum and palladium.

(k) Commodities other than precious metals and gold contracts

Other commodity contracts include forwards, swaps, purchased options and similar derivative contracts based on energy contracts, agricultural contracts, base metals (such as aluminum, copper and zinc) and any other non-precious metal commodity contracts.

Item Reference	Item
IX.	***Breakdown of liabilities to and claims on banks and non-banks***
	Report the liabilities to and claims on banks and non-banks to Mainland China, Japan, the United States and the United Kingdom in accordance with the completion instructions of the Return of External Positions ("MA(BS)2").
	"Banks" in Part IX include the international organisations which are classified as banks in the Annex 1 of completion instructions of MA(BS)2. This classification is only for purposes of Part IX.
	Reporting institutions do not need to submit the information under Part IX for positions as at the end of March, June, September and December as the information will be included in MA(BS)2.
X.	***Breakdown of liability and asset items by residency***
	The sum of Hong Kong residents and non-Hong Kong residents of each item should reconcile with the amount reported under the relevant item in Part I or II of this return.

Hong Kong Monetary Authority
(MM/2003)

Annex 1

Reporting treatments of repo/reverse repo

(i) Securities that have been sold under a repo agreement with a commitment to repurchase at a pre-determined price

	On-balance sheet item	Off-balance sheet item
Repo/ stock lending	The relevant asset which has been sold/lent should remain as an asset item. Cash received on the transaction is regarded as collateralised deposit and should be reported under items 7, 5 and 7 of Part I of MA(BS)1, MA(BS)1A and MA(BS)1B respectively. If the collateral received is not cash, it should not be reported on the balance sheet. No liability to the counterparty should be reported.	No need to report

(ii) Securities that have been purchased under a reverse repo agreement with a commitment to sell back at a pre-determined price

	On-balance sheet item	Off-balance sheet item
Reverse repo/ stock borrowing	The relevant asset which has been purchased/borrowed should not be reported as an asset item. Cash given on the transaction is regarded as a collateralised loan to the counterparty and should be reported under items 16, 13 and 16 of Part II of MA(BS)1, MA(BS)1A and MA(BS)1B respectively. If the collateral given is not cash, it should continue be reported on the balance sheet. No exposure to the counterparty should be reported.	No need to report

(iii) Securities that have been sold under a repo agreement under which all the risks and rewards of ownership have been transferred substantially to the buyer

	On-balance sheet item	***Off-balance sheet item***
Repo (regarded as outright sales)	***The relevant asset that has been sold should no longer be treated as an asset item.***	***Where the commitment to repurchase has no pre-determined price, it should be reported at fair value (i.e. current market value) on the reporting date.*** ***For institutions incorporated outside Hong Kong, such a transaction should be reported in item (d) of Part VIII of MA(BS)1.*** ***For locally incorporated institutions, such a transaction should be reported in item 4 of Part III of MA(BS)3.***

(iv) Securities that have been purchased under a reverse repo agreement under which the reporting institution has substantially taken up all the risks and rewards of ownership from the seller

	On-balance sheet item	***Off-balance sheet item***
Reverse Repo (regarded as outright purchases)	***The relevant asset that has been purchased should be reported as an asset item.***	***No need to report***

Annex 2

Reporting treatments of unmatured securities transactions

	On-balance sheet item	Off-balance sheet item
Unmatured purchases of securities	Unmatured spot and forward purchases of securities are included on the balance sheet from the day of trade. The corresponding liability to the counterparty should be reported under items 10.3, 8 and 10 of Part I of MA(BS)1, MA(BS)1A and MA(BS)1B respectively.	No need to report
Unmatured sales of securities	Unmatured spot and forward sales of securities are excluded from the balance sheet from the day of trade. The corresponding receivable due from the counterparty should be reported under items 22.4, 18 and 21 of Part II of MA(BS)1, MA(BS)1A and MA(BS)1B respectively.	No need to report

Annex 3

Reporting Date	Money at call	Repayable or callable within 7 days	Repayable or callable within 1 month	Between 8 days & 1 month	Between 1 & 3 months	Later than 3 months
	Maturity dates					
31 January	1 February	1 – 7 February	1 - 28 (29*) February	8 - 28 (29*) February	1 March - 30 April	1 May onwards
28 (29*) February	1 March	1 – 7 March	1 - 28 (29*) March	8 - 28 (29*) March	29 (30*) March - 28(29*) May	29 (30*) May onwards
30 April	1 May	1 – 7 May	1 - 30 May	8 – 30 May	31 May - 30 July	31 July onwards

(* where February has 29 days)