

(For Official Use Only)

under the Banking Ordinance

LIQUIDITY POSITION OF AN AUTHORIZED INSTITUTION

*** POSITION OF HONG KONG OFFICE / UNCONSOLIDATED ENTITY / CONSOLIDATED GROUP**

For the month of.....

Name of Authorized Institution	Date of Submission
Is the institution designated by the Monetary Authority as a category 1 institution under section [xx] of the Banking (Liquidity) Rules? [Yes / No *]	

* Delete where inapplicable.

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 14 days after the last day of each calendar 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. An authorized institution designated by the Monetary Authority as a category 1 institution must complete the relevant parts of the Return that are applicable to it. An authorized institution which is not designated by the Monetary Authority as a category 1 institution (i.e. a category 2 institution) must complete the relevant parts of the Return that are applicable to it.

We certify that:

1. This Return is, to the best of our knowledge and belief, correct.
2. For a category 1 institution, the Liquidity Coverage Ratio of the institution was at all times during the reporting period not less than that required under section [xx] of the Banking (Liquidity) Rules (or as varied under section 97K of the Banking Ordinance).
3. For a category 2 institution, the Liquidity Maintenance Ratio of the institution was on average during the reporting period not less than that required under section [xx] of the Banking (Liquidity) Rules (or as varied under section 97K of the Banking Ordinance).

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

PART 1: SUMMARY CERTIFICATE ON LIQUIDITY POSITION

(I) Summary of information on Liquidity Coverage Ratio (LCR)

[Details to be issued for consultation later]

(II)	Summary of information on Liquidity Maintenance Ratio (LMR) (automatically generated) [reference in Part III]	
	<u>Month-end position</u>	
2.1	Liquefiable assets	Section (I) item (A9)
2.2	Qualifying liabilities (after deductions)	Section (I) item (D)
2.3	LMR (month-end) (%)	Section (I) item (E)
	<u>Average position during the reporting period</u>	
2.4	Liquefiable assets	Section (II) item A
2.5	Qualifying liabilities (after deductions)	Section (II) item C
2.6	LMR (average) (%)	Section (II) item D
2.7	<u>Lowest LMR during the reporting period (%)</u>	Section (III)

PART 2 – LIQUIDITY COVERAGE RATIO (to be reported by category 1 institutions only)

[Details to be issued for consultation later]

PART 3 – LIQUIDITY MAINTENANCE RATIO (to be reported by category 2 institutions only)¹

(I) LIQUIDITY MAINTENANCE RATIO (Month-end position)

(HK\$'000)

Previous item no.	A. LIQUEFIABLE ASSETS	Principal amount	Liquidity conversion factor (%)	Weighted amount	Of which			
					HKD+USD	USD	RMB	Other currencies
(1)	(A1) Currency notes and coins		100					
(2)	(A2) Gold bullion		100 90					
New	(A3) Claims on, or reserves maintained with, the Exchange Fund and overseas central banks that can be withdrawn overnight or repayable on demand		100					
(3)	(A4) Total one-month liabilities of relevant banks to the reporting institution, net of total one-month liabilities of the institution to relevant banks (i.e. “net due from relevant banks”) <i>(For completion by the reporting institution if its net due from relevant banks ≥ 0)</i>							
	(a) Total one-month liabilities of relevant banks to the reporting institution							
	(b) Total one-month liabilities of the reporting institution to relevant banks							

¹ Reporting institutions are required to fill in the yellow cells only.

Previous item no.	A. LIQUEFIABLE ASSETS	Principal amount	Liquidity conversion factor (%)	Weighted amount	Of which			
					HKD+USD	USD	RMB	Other currencies
	(c) Net due from relevant banks (= sub-item (A4)(a) – sub-item (A4)(b) ≥ 0, subject to the weighted amount not exceeding 40% of the weighted amount of qualifying liabilities (before deductions)). Any excess amount will be included under item (C3).		100-80					
(4)	(A5) Export bills –							
(4)(a)	(a) payable within 1 month and which are either drawn under letters of credit issued by relevant banks or accepted and payable by relevant banks		100-90					
(4)(b)	(b) covered by irrevocable re-discounting facilities approved by the Monetary Authority		100-90					
(5)	(A6) Marketable debt securities or prescribed instruments ² –							

² The Completion Instructions of the existing Return provide that AIs may report certain marketable debt securities or prescribed instruments as liquefiable assets under the sub-item of “approved for inclusion by the Monetary Authority”. The HKMA proposes to formalise the recognition of the following classes of debt securities as liquefiable assets under the Banking (Liquidity) Rules, and for reporting in this Return:

- (i) Unrated securities issued or guaranteed by a regional government of a country which has a qualifying credit rating – this is provided under sub-item (A6)(d)(ii);
- (ii) Unrated securities issued by any institution which are re-discountable with the central bank of a country which has a qualifying credit rating – this is provided under sub-item (A6)(e). To avoid doubt, it is also clarified that the re-discounting arrangement operated by the central bank of a country should be available to the reporting institution;
- (iii) Unrated securities issued or guaranteed by a relevant bank which has a qualifying credit rating – this is provided under sub-item (A6)(d)(i)(B); and
- (iv) Any other securities from time to time approved by the Monetary Authority for inclusion as liquefiable assets – this treatment is retained under sub-item (A6)(f). For the reasons elaborated in L3 (paragraphs 50 to 52), inclusion of any residential mortgage-backed securities (RMBS) as eligible high quality liquid assets under the LCR or liquefiable assets under the LMR must be subject to the Monetary Authority's approval on a case-by-case basis. Therefore sub-item (A6)(f) is broken down into (i) eligible RMBS and (ii) other debt securities / instruments to facilitate supervisory monitoring of any RMBS or other debt securities / instruments that may be included by individual AIs in the calculation of the LMR.

Previous item no.	A. LIQUEFIABLE ASSETS	Principal amount	Liquidity conversion factor (%)	Weighted amount	Of which			
					HKD+USD	USD	RMB	Other currencies
(a)	(a) issued or guaranteed by –							
(a)(i)	(i) the Hong Kong Government, the Exchange Fund or a public sector entity in Hong Kong or a multilateral development bank with a remaining term to maturity of –							
	(A) not more than 1 year		100					
	(B) more than 1 year		95					
(a)(ii)	(ii) an authorized institution incorporated in Hong Kong or the Hong Kong branch of an authorized institution incorporated outside Hong Kong with a remaining term to maturity of –							
	(A) not more than 1 month		100					
	(B) more than 1 month but not more than 1 year		95					
	(C) more than 1 year		90					
(b)(i)	(b) issued or guaranteed by the central bank or central government of any country, a multilateral development bank, or a relevant international organization, where the debt security / instrument or its issuer has a qualifying ECAI rating and the remaining term to maturity is -							
	(A) not more than 1 year		100					
	(B) more than 1 year		95					

Previous item no.	A. LIQUEFIABLE ASSETS	Principal amount	Liquidity conversion factor (%)	Weighted amount	Of which			
					HKD+USD	USD	RMB	Other currencies
(b)(ii)	(c) with a qualifying ECAI issue specific rating, issued or guaranteed by –							
	(i) a relevant bank, other than those included in sub-item (A6)(a)(ii), with a remaining term to maturity of							
	(A) not more than 1 month		100					
	(B) more than 1 month but not more than 1 year		95					
	(C) more than 1 year		90					
(b)(iii)	(ii) a regional government of any country or other entity with a remaining term to maturity of –							
	(A) not more than 1 year		90					
	(B) more than 1 year but not more than 5 years		85					
	(C) more than 5 years		80					
	(d) without a qualifying ECAI issue specific rating, issued or guaranteed by –							
(c)	(i) a relevant bank, other than those included in sub-item (A6)(a)(ii), provided that –							
	(A) the debt security / instrument has a remaining term to maturity of not more than 1 month; or		100					
(d)	(B) the relevant bank has a qualifying ECAI issuer rating		80					

Previous item no.	A. LIQUEFIABLE ASSETS	Principal amount	Liquidity conversion factor (%)	Weighted amount	Of which			
					HKD+USD	USD	RMB	Other currencies
(d)	(ii) a regional government of a country which has a qualifying ECAI issuer rating		80					
(d)	(e) not included elsewhere in item (A6), re-discountable with the central bank of a country that has a qualifying ECAI issuer rating, and the re-discounting arrangement is available to the reporting institution		80					
(d)	(f) specifically approved for inclusion by the Monetary Authority							
	(i) eligible residential mortgage-backed securities		80					
	(ii) other debt securities / instruments		80					
(e)	(g) not included elsewhere in item (A6) with a remaining term to maturity of not more than 1 month		80					
	(6) Eligible loan repayments		80					
(7).	(A7) Residential mortgage loans in respect of which there has been issued by The Hong Kong Mortgage Corporation Limited an irrevocable commitment to purchase which is approved by the Monetary Authority		90					
(8).	(A8) DEDUCTION: Debt securities or prescribed instruments with a remaining term to maturity of not more than 1 month issued by the reporting institution		100					
(9).	(A9) LIQUEFIABLE ASSETS (i.e. sum of items (A1) to (A7) – item (A8))							

Previous item no.	B. QUALIFYING LIABILITIES	Principal amount	Liquidity conversion factor (%)	Weighted Amount	(HK\$'000) Of which			
					HKD+USD	USD	RMB	Other currencies
(10)	(B1) Total one-month liabilities of the reporting institution to the Exchange Fund and overseas central banks		100					
(10)	(B2) Total one-month liabilities of the reporting institution to relevant banks (such liabilities should not be included in sub-item (A4)(b)) <i>(For completion by the reporting institution if its net due to relevant banks³ > 0)</i>		100					
(11)	(B3) Other one-month liabilities		100					
(12)	(B4) QUALIFYING LIABILITIES (BEFORE DEDUCTIONS) (i.e. sum of items (B1) to (B3))							

3 The term “net due to relevant banks” refers to a reporting institution’s total one-month liabilities to relevant banks, net of total one-month liabilities of relevant banks to the institution.

(HK\$'000)

C. DEDUCTIONS FROM QUALIFYING LIABILITIES		Principal amount	Liquidity conversion factor (%)	Weighted amount	Of which			
					HKD+USD	USD	RMB	Other currencies
(10)	(C1) Other one-month liabilities of the Exchange Fund and overseas central banks to the reporting institution (excluding the amount included in item (A3))		100					
(10)	(C2) Total one-month liabilities of relevant banks to the reporting institution (such liabilities should not be included in sub-item (A4)(a)) <i>(For completion by the reporting institution if its net due to relevant banks > 0)</i>		100					
(New)	(C3) “Net due from relevant banks” of the reporting institution exceeding the 40% ceiling specified in sub-item (A4)(c)							
(6)	(C4) Eligible loan repayments		80					
(New)	(C5) TOTAL DEDUCTIONS (i.e. sum of items (C1) to (C4))							
(New)	(C6) DEDUCTIONS FROM QUALIFYING LIABILITIES (not exceeding 75% of item (B4))							
(New)	(D) QUALIFYING LIABILITIES (AFTER DEDUCTIONS) (i.e. item (B4) – item (C6))							
(13)	(E) LIQUIDITY MAINTENANCE RATIO (month-end) (i.e. item (A9) / item (D))			%				

(II) AVERAGE LIQUIDITY MAINTENANCE RATIO DURING THE REPORTING PERIOD

	Weighted Amount
A. Average liquefiable assets	
B. Average qualifying liabilities (before deductions)	
C. Average qualifying liabilities (after deductions)	
D. Average Liquidity Maintenance Ratio (i.e. item A / item C)	%

(III) LOWEST LIQUIDITY MAINTENANCE RATIO DURING THE REPORTING PERIOD

%	Date: (dd/mm/yy)
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PART 4 – SUPPLEMENTARY INFORMATION (to be reported by all authorized institutions)

(HK\$'000)

(I) AMOUNT OF PLEDGED DEPOSITS EXCLUDED FROM CALCULATION OF LCR / LMR

Principal Amount	Of which			
	HK\$	USD	RMB	Other currencies

(II) DEPOSITS FROM NON-BANK CONNECTED PARTIES INCLUDED IN CALCULATION OF LCR / LMR

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(III) INTER-OFFICE / INTRA-GROUP TRANSACTIONS INCLUDED IN CALCULATION OF LCR / LMR

A. CLAIMS ON	Within 7 days	8 days to 1 month	Principal Amount	HK\$	USD	RMB	Other currencies
1. Head Office and overseas offices							
2. Connected authorized institutions in Hong Kong							
3. Connected banks outside Hong Kong							
4. Total claims							
B. LIABILITIES TO							
1. Head Office and overseas offices							
2. Connected authorized institutions in Hong Kong							
3. Connected banks outside Hong Kong							
4. Total liabilities							
C. NET CLAIMS ON / (LIABILITIES TO) (i.e. item A4 – item B4)							

(IV) MARKETABLE DEBT SECURITIES / PRESCRIBED INSTRUMENTS APPROVED BY THE MONETARY AUTHORITY FOR INCLUSION AS HQLA UNDER LCR / LIQUEFIABLE ASSETS UNDER LMR

International Securities Identification Number	Issuer	Guarantor (if applicable)	Currency denomination	Principal amount (HK\$'000 equivalent)	Date of MA's approval (dd/mm/yy)
A. Residential mortgage-backed securities approved by the MA for inclusion <u>with effect from 1 January 2015</u>					
B. Other debt securities / prescribed instruments approved by the MA for inclusion <u>with effect from 1 January 2015</u>					

(Supplementary sheets may be attached if space provided is not sufficient)

The following tables contained in the existing Return will be either deleted or moved to the Return on Liquidity Monitoring Tools:

- 10 Largest Deposits from Non-bank Customers and 10 Largest Borrowings from Banks
(These two tables will be incorporated in Table 1A of the Return on Liquidity Monitoring Tools.)
- Back-to-back Transactions Included in the Computation of Liquidity Ratio (Deleted)
- Irrevocable Standby Facilities
(This table is converted into Table 3 “Committed Facilities” in the Return on Liquidity Monitoring Tools.)
- Foreign Currency Assets and Liabilities Maturing within Three Months (Deleted)