Part IV: **Risk-weighted Amount for Market Risk**

Division A: **STM Approach - Interest Rate Exposures (Trading Book)**

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

(a) **Non-securitization exposures that do not fall within a correlation trading portfolio and that are not nth-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
				Residual maturity						
				6 months or less	Over 6 months to 24 months	Over 24 months			To be specified	
			(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	Long								
		Short								
1.2	Credit quality grade 2 or 3	Long								
		Short								
1.3	Credit quality grade 4 or 5	Long								
		Short								
1.4	Credit quality grade 6	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 4	Long								
		Short								
1.12	Credit quality grade 5	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 E.1.

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

(b) **Securitization exposures that do not fall within a correlation trading portfolio (Note (1))** (HK$'000)

A. Market risk capital charge calculations

		Credit quality grades		Positions incurred as an investing institution		Positions incurred as an originating institution		Market risk capital charge factor for specific risk		Market risk capital charge for specific risk		
Securitization Exposures		Long-term	Short-term	Long	Short	Long	Short	For investing institutions	For originating institutions	For long positions	For short positions	Applicable amount (Note (2))
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1. Under STC(S) approach												
1.1 Rated securitization exposures (exclude re-securitization exposures)	(a)	1	1					1.60%	1.60%			
	(b)	2	2					4.00%	4.00%			
	(c)	3	3					8.00%	8.00%			
	(d)	4						28.00%	100.00%			
	(e)	5	4					100.00%	100.00%			
Sub-total	(f)											
1.2 Rated re-securitization exposures	(a)	1	1					3.20%	3.20%			
	(b)	2	2					8.00%	8.00%			
	(c)	3	3					18.00%	18.00%			
	(d)	4						52.00%	100.00%			
	(e)	5	4					100.00%	100.00%			
Sub-total	(f)											
1.3 All other securitization exposures that are not subject to capital deductions												
1.4 Total (item 1.1(f) + item 1.2(f) + Item 1.3)												
2. Under IRB(S) approach												
2.1 Rated securitization exposures (exclude re-securitization exposures) - Senior and granular	(a)	1	1					0.56%	0.56%			
	(b)	2						0.64%	0.64%			
	(c)	3						0.80%	0.80%			
	(d)	4	2					0.96%	0.96%			
	(e)	5						1.60%	1.60%			
	(f)	6						2.80%	2.80%			
	(g)	7	3					4.80%	4.80%			
	(h)	8						8.00%	8.00%			
	(i)	9						20.00%	20.00%			
	(j)	10						34.00%	34.00%			
	(k)	11						52.00%	52.00%			
	(l)	12	4					100.00%	100.00%			
Sub-total	(m)											
2.2 Rated securitization exposures (exclude re-securitization exposures) - Non-senior, granular	(a)	1	1					0.96%	0.96%			
	(b)	2						1.20%	1.20%			
	(c)	3						1.44%	1.44%			
	(d)	4	2					1.60%	1.60%			
	(e)	5						2.80%	2.80%			
	(f)	6						4.00%	4.00%			
	(g)	7	3					6.00%	6.00%			
	(h)	8						8.00%	8.00%			
	(i)	9						20.00%	20.00%			
	(j)	10						34.00%	34.00%			
	(k)	11						52.00%	52.00%			
	(l)	12	4					100.00%	100.00%			
Sub-total	(m)											

A.1 Interest rate exposures - specific risk

(b) Securitization exposures that do not fall within a correlation trading portfolio (Note (1)) (HK$'000)

A. Market risk capital charge calculations

		Credit quality grades		Positions incurred as an investing institution		Positions incurred as an originating institution		Market risk capital charge factor for specific risk		Market risk capital charge for specific risk		
Securitization Exposures		Long-term	Short-term	Long	Short	Long	Short	For investing institutions	For originating institutions	For long positions	For short positions	Applicable amount (Note (2))
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
2.3 Rated securitization exposures (exclude re-securitization exposures) - Non-granular	(a)	1	1					1.60%	1.60%			
	(b)	2						2.00%	2.00%			
	(c)	3						2.80%	2.80%			
	(d)	4	2					2.80%	2.80%			
	(e)	5						2.80%	2.80%			
	(f)	6						4.00%	4.00%			
	(g)	7	3					6.00%	6.00%			
	(h)	8						8.00%	8.00%			
	(i)	9						20.00%	20.00%			
	(j)	10						34.00%	34.00%			
	(k)	11						52.00%	52.00%			
	(l)	12	4					100.00%	100.00%			
Sub-total	(m)											
2.4 Rated re-securitization exposures - Senior	(a)	1	1					1.60%	1.60%			
	(b)	2						2.00%	2.00%			
	(c)	3						2.80%	2.80%			
	(d)	4	2					3.20%	3.20%			
	(e)	5						4.80%	4.80%			
	(f)	6						8.00%	8.00%			
	(g)	7	3					12.00%	12.00%			
	(h)	8						16.00%	16.00%			
	(i)	9						24.00%	24.00%			
	(j)	10						40.00%	40.00%			
	(k)	11						60.00%	60.00%			
	(l)	12	4					100.00%	100.00%			
Sub-total	(m)											
2.5 Rated re-securitization exposures - Non-senior	(a)	1	1					2.40%	2.40%			
	(b)	2						3.20%	3.20%			
	(c)	3						4.00%	4.00%			
	(d)	4	2					5.20%	5.20%			
	(e)	5						8.00%	8.00%			
	(f)	6						12.00%	12.00%			
	(g)	7	3					18.00%	18.00%			
	(h)	8						28.00%	28.00%			
	(i)	9						40.00%	40.00%			
	(j)	10						52.00%	52.00%			
	(k)	11						68.00%	68.00%			
	(l)	12	4					100.00%	100.00%			
Sub-total	(m)											
2.6 All other securitization exposures that are not subject to capital deductions												

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

(b) **Securitization exposures that do not fall within a correlation trading portfolio (Note (1))** (HK$'000)

A. Market risk capital charge calculations

Securitization Exposures	Credit quality grades		Positions incurred as an investing institution		Positions incurred as an originating institution		Market risk capital charge factor for specific risk		Market risk capital charge for specific risk		
	Long-term	Short-term	Long	Short	Long	Short	For investing institutions	For originating institutions	For long positions	For short positions	Applicable amount (Note (2))
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
2.7 Total (Item 2.7 = sum of (row (m) of items 2.1 to 2.5) + item 2.6)											
(a) Of which securitization (exclude re-securitization) exposures											
(i) rated											
(ii) unrated											
(b) Of which re-securitization exposures											
(i) rated											
(ii) unrated											
2.8 Total market risk capital charge for specific risk (Item 2.8(9) / 2.8(10) = Item 2.7(9) / 2.7(10) multiplied by scaling factor 1.06)											
3. Total **- Position col. (3) to (6): Item 1.4 + item 2.7** **- Market risk capital charge col. (9) & (10): Item 1.4 + item 2.8**											

B. Capital deductions

	Positions incurred as an investing institution	Positions incurred as an originating institution	Total
	(a)	(b)	(c)
1. Gain-on-sale arising from securitization transaction as an originating institution			
2. Other exposures as specified by the Monetary Authority			
3. Total deductions			

Note:
(1) Securitization exposures include re-securitization exposures unless otherwise stated.
(2) During the transitional period (securitization) of 1 January 2012 to 31 December 2013, both dates inclusive, the applica ble total market risk capital charge for specific risk (i.e. column (11)) for the interest rate exposures of a reporting institution is calculated as the larger of the market risk capital charge for the long positions (i.e. column (9)) or the market risk capital charge for the short po sitions (i.e. column (10)). Upon the expiry of the transitional period (securitization), the applicable total market risk capital charge for specific risk (i.e. column (11)) of the institution is calculated as the sum of the market risk capital charge for the gross (i.e. long + short) positions (i.e. column (9) + column (10)).
(3) STC(S) approach means the method of calculating credit risk for securitization exposures under the standardized (securit ization) approach.
(4) IRB(S) approach means the method of calculating credit risk for securitization exposures under the internal ratings -based (securitization) approach.
(5) "Rated securitization exposures" means exposures with an ECAI issue specific rating under STC(S) approach and IRB(S) app roach, or in the absence of an ECAI issue specific rating, an inferred rating under IRB(S) approach.
(6) "Unrated" securitization exposures means securitization exposures other than rated securitization exposures and those t reated as if not rated for regulatory capital purposes.

A.1 Interest rate exposures - specific risk

(c) Correlation trading portfolio

(HK$'000)

	Positions		Market risk capital charge for specific risk		
	Long	Short	For long positions	For short positions	Applicable amount
	(1)	(2)	(3)	(4)	(5) = Higher of (3) or (4)
Correlation trading portfolio (Note (1))					

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 E.1.

A.1 Interest rate exposures - specific risk

(d) Non-securitization exposures that are n[th]-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 (0.00%)	Residual maturity: 6 months or less (0.25%)	Residual maturity: Over 6 months to 24 months (1.00%)	Residual maturity: Over 24 months (1.60%)	(8.00%)	(12.00%)	To be specified (%)	Total market risk capital charge for specific risk
	Sovereign (including sovereign foreign public sector entities)									
1.1	Credit quality grade 1	Long								
		Short								
1.2	Credit quality grade 2 or 3	Long								
		Short								
1.3	Credit quality grade 4 or 5	Long								
		Short								
1.4	Credit quality grade 6	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 4	Long								
		Short								
1.12	Credit quality grade 5	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 E.1.

(2) During the transitional period (securitization) of 1 January 2012 to 31 December 2013, both dates inclusive, the applicable market risk capital charge for specific risk (i.e. Item 1.17) for the interest rate exposures of a reporting institution is calculated as the larger of the total market risk capital charge for the long positions or the total market risk capital charge for the short positions reported in the last column of Item 1.16. Upon the expiry of the transitional period (securitization), 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.

A.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 E.1.

Division B: STM 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%	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%	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 A.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 E.1.

Division C: **STM Approach - Foreign Exchange Exposures**

(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%
	TOTAL MARKET RISK CAPITAL CHARGE FOR FOREIGN EXCHANGE EXPOSURES	

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 6(b), 79 and 80 of the completion instructions.

(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 E.1.

Division D: STM 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 positions	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%	
	TOTAL MARKET RISK CAPITAL CHARGE FOR COMMODITY EXPOSURES							

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 A.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 E.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 E: **STM Approach - Option Exposures**

E.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%			
	TOTAL MARKET RISK CAPITAL CHARGE FOR OPTION EXPOSURES						

Note: (1) Only trading book positions should be reported.

(2) The classes are same as those in Division A.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 A.2.

E.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%			
	TOTAL MARKET RISK CAPITAL CHARGE FOR OPTION EXPOSURES						

Note: (1) Only trading book positions should be reported.

(2) The classes are same as those in Division A.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 A.2.

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

2(a) **Debt-related and interest rate 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		
Total 2(a)			

2(b) **Equity 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
Total 2(b)		

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

E.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
Total 2(c)		

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
Total 2(d)		

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

Division F: IMM Approach (Note (1a))

F.1 Market risk capital charge under the IMM approach

(HK$'000)

Item	Nature of items	VaR / Stressed VaR: End of quarter VaR / Stressed VaR (Note (2a))	VaR / Stressed VaR: Average VaR / Stressed VaR over last 60 trading days	Number of back-testing exceptions: Based on actual profit & loss	Number of back-testing exceptions: Based on hypothetical profit & loss	Multiplication factor for VaR (m_c) / Stressed VaR (m_s) (Note (2))	Total market risk capital charge
		(a)	(b)	(c)	(d)	(e)	(f)
(a)	**General market risk - VaR and stressed VaR**						
1.	**VaR**						
1.1	Interest rate						
1.2	Equity						
1.3	Foreign exchange						
1.4	Commodity						
1.5	Aggregate of all risk categories (Note (1))						
1.6	Average VaR x multiplication factor m_c (Item 1.6 = Item 1.5 (b) x Item 1.5 (e))						
1.7	Market risk capital charge for general market risk calculated by internal models (Item 1.5(a) or item 1.6, whichever is higher)						
2.	**Stressed VaR**						
2.1	Interest rate						
2.2	Equity						
2.3	Foreign exchange						
2.4	Commodity						
2.5	Aggregate of all risk categories (Note (1))						
2.6	Average stressed VaR x multiplication factor m_s (Item 2.6 = Item 2.5 (b) x item 2.5 (e))						
2.7	Market risk capital charge for general market risk calculated by internal models (Item 2.5(a) or item 2.6, whichever is higher)						
3.	**Total market risk capital charge for general market risk calculated by internal models - VaR and stressed VaR (Item 1.7 + item 2.7)**						
(b)	**Specific risk - VaR and stressed VaR**						
1.	**VaR**						
1.1	Specific risk calculated by internal models (Note (3))						
1.2	Average VaR x multiplication factor m_c (Item 1.2 = Item 1.1 (b) x Item 1.1 (e))						
1.3	Market risk capital charge for specific risk calculated by internal models (Item 1.1(a) or item 1.2, whichever is higher)						
2.	**Stressed VaR**						
2.1	Specific risk calculated by internal models (Note (3))						
2.2	Average stressed VaR x multiplication factor m_s (Item 2.2 = Item 2.1 (b) x item 2.1 (e))						
2.3	Market risk capital charge for specific risk calculated by internal models (Item 2.1(a) or item 2.2, whichever is higher)						
3.	**Total market risk capital charge for specific risk calculated by internal models - VaR and stressed VaR (Item 1.3 + Item 2.3)**						

F.1 **Market risk capital charge under the IMM approach**

(HK$'000)

(c)	**Specific risk - Incremental risk charge (IRC), comprehensive risk charge (CRC) and supplemental capital charge (SCC)**				
Item	Nature of items	IRC / CRC		Scaling factor for IRC (S_I) / CRC (S_c) (Note (4))	Total market risk capital charge
		Latest	Average over last 12 weeks		
		(a)	(b)	(c)	(d)
1.	**IRC**				
1.1	IRC - Interest rate				
1.2	IRC - Equity				
1.3	Aggregate of risk categories				
1.4	Market risk capital charge for specific risk calculated by internal models (Item 1.4 = Item 1.3 (c)(Si) x the higher of (Item 1.3 (a) or Item 1.3 (b))				
2.	**CRC - Correlation trading portfolio**				
2.1	CRC				
2.2	CRC calculated by internal models (Item 2.1 (c) (Sc) x the higher of (Item 2.1 (a) or Item 2.1 (b))				
2.3.1	Market risk capital charge for specific risk for long positions calculated under the STM approach				
2.3.2	Market risk capital charge for specific risk for short positions calculated under the STM approach				
2.3	Floor for CRC (Item 2.3 = 8% x the higher of (Item 2.3.1 or Item 2.3.2))				
2.4	Market risk capital charge for specific risk (Item 2.4 = the higher of Item 2.2 or Item 2.3)				
3.	Supplemental capital charge arising from the correlation trading portfolio				
4.	**Total market risk capital charge for specific risk calculated by internal models - IRC, CRC and SCC (Item 1.4 + item 2.4 + item 3)**				

(d)	**Total market risk capital charge for specific risk calculated by internal models (Item F.1(b)3 + item F.1(c)4)**	

(e)	**TOTAL MARKET RISK CAPITAL CHARGE UNDER THE IMM APPROACH (Item F.1(a)3 + item F.1(d))**	

F.2 **Largest daily losses over the quarter**

(HK$'000)

Date (DD/MM/YYYY)	Amount of loss (absolute value)	VaR

Note: (1a) A reporting institution must use the STM approach to calculate the market risk capital charge for specific risk for the following specific risk interest rate exposures irrespective of the approach it adopts for calculating the VaR and stressed VaR for general market risk and (where applicable) specific risk for those exposures:
(a) securitization exposures which fall within section 286(a)(ii) of the Banking (Capital) Rules;
(b) exposures which fall within section 286(a)(iii) of the Banking (Capital) Rules (i.e. correlation trading portfolio) but for which the institution does not have the approval of the MA to calculate a comprehensive risk charge; and
(c) n^{th}-to-default credit derivative contracts which fall within section 286(a)(iv) of the Banking (Capital) Rules.

(1) For VaR and stressed VaR, the total reported under the individual items is not necessarily equal to the sum of their respective components because of the correlation across the risk categories.

(2a) If the stressed VaR as at the end of the reporting quarter is not available, reporting institutions should report the latest available stressed VaR in the relevant cells.

(2) The multiplication factor is the sum of (i) the value of three; (ii) the plus factor based on the number of back-testing exceptions for the last 250 trading days based on the VaR (but not the stressed VaR); and (iii) any additional plus factor assigned to the institution by the MA.

(3) If a reporting institution uses one internal model to calculate both the market risk capital charge for general market risk and market risk capital charge for specific risk, the institution does not need to report its calculation for general market risk and specific risk separately. The figures reported in Section (a) in respect of general market risk can cover both general market risk and specific risk, and the institution is not required to complete Section (b) in respect of specific risk.

(4) The scaling factor is 1 or such other value as the MA may specify in a notice in writing given to the institution.

Division G: Risk-weighted Amount for Market Risk

(HK$'000)

1. Total market risk capital charges under the STM approach

Division A.1		Division A.2 (Note (1))	Division B	Division C	Division D	Division E		Total	
(a)						1(a)			
(b)A						1(b)			
(c)						2(a) (Note (1))			
(d)						2(b)			
						2(c)			
						2(d)			
									(A)

2.	Total market risk capital charges under the IMM approach (Item Division F.1(e))			(B)
3.	**TOTAL RISK-WEIGHTED AMOUNT FOR MARKET RISK** [(Item A + Item B) x 12.5]			

Note: (1) The sum of the market risk capital charges for all currencies should be reported.