

Part V: Risk-weighted Amount for Operational Risk

Item	Nature of item	Capital Charge Factor %	Gross Income/Loans & Advances HK\$'000			Capital Charges HK\$'000		
			First Year	Second Year	Third Year	First Year	Second Year	Third Year
1.	BIA Approach	15						
2.	STO Approach							
2.1	a. Corporate finance	18						
	b. Trading and sales	18						
	c. Retail banking	12						
	d. Commercial banking	15						
	e. Payment and settlement	18						
	f. Agency services	15						
	g. Asset management	12						
	h. Retail brokerage	12						
	i. Unclassified	18						
2.2	TOTAL							
3.	ASA Approach							
3.1	a. Retail banking	12						
	b. Commercial banking	15						
	c. SUBTOTAL							
3.2	a. Corporate finance	18						
	b. Trading and sales	18						
	c. Payment and settlement	18						
	d. Agency services	15						
	e. Asset management	12						
	f. Retail brokerage	12						
	g. Unclassified	18						
	h. SUBTOTAL							
3.3	3.1a & 3.1b as one business line	15						
3.4	3.2a to 3.2g as one business line	18						
3.5	TOTAL							
4.	Capital charge for operational risk							
5.	RISK-WEIGHTED AMOUNT FOR OPERATIONAL RISK (5 = 4 x 12.5)							