JA

SECRET

CAT Co. No. MM YY

(For Official Use Only)

under the Banking Ordinance

RETURN OF INTEREST RATE RISK IN THE BANKING BOOK

Position of *Local Office(s)/Local Offices and Overseas Branches/Consolidated Basis

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

Total number of selected currencies being reported (minimum 2): _________

*Delete where inapplicable. Overseas incorporated institutions are required to report the position of their Hong Kong office (s) only.

Name of Authorized Institution	Date of Submission

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 six weeks after the end of each quarter ending 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*

		Currency Code (For Official Use Only)

Interest Rate Risk in the Banking Book (Form 1)

Position of * Banking Book / Trading Book and Banking Book (Note (1))

Currency (Note (2)):____________________

* Delete where inappropriate.

(In HK$ Million or equivalent)

		INTEREST RATE-SENSITIVE ASSETS (Note (3))											
		1. Total interest rate-sensitive assets				2. Fixed rate assets				3. Floating rate assets		4. Managed rate assets	
TIME BAND		**a. Total** 2a+3a+4a	**b. Residential mortgage loans** 2b+3b+4b	**c. Total weighted average yield**	**d. Weighted average yield (Residential mortgage loans)**	a. Total	b. Residential mortgage loans	c. Retail loans subject to prepayment risk	d. Non-retail loans subject to prepayment risk	a. Total	b. Residential mortgage loans	a. Total	b. Residential mortgage loans
Next day or less	(A)			%	%								
2 days to 1 month	(B)			%	%								
1 to 3 months	(C)			%	%								
3 to 6 months	(D)			%	%								
6 to 9 months	(E)			%	%								
9 to 12 months	(F)			%	%								
1 to 1.5 years	(G)			%	%								
1.5 to 2 years	(H)			%	%								
2 to 3 years	(I)			%	%								
3 to 4 years	(J)			%	%								
4 to 5 years	(K)			%	%								
5 to 6 years	(L)			%	%								
6 to 7 years	(M)			%	%								
7 to 8 years	(N)			%	%								
8 to 9 years	(O)			%	%								
9 to 10 years	(P)			%	%								
10 to 15 years	(Q)			%	%								
15 to 20 years	(R)			%	%								
More than 20 years	(S)			%	%								
Total interest rate-sensitive assets	Total (A to S)												
Total interest rate-sensitive assets (book value)	(T)												
Total non-interest rate-sensitive assets (book value)	(U)												
Total assets (book value)	Total (T to U)												

Notes:

(1) Locally incorporated Authorized Institutions (AIs) subject to the market risk capital adequacy regime are required to report positions in the banking book only. Other locally incorporated AIs exempted from the market risk capital adequacy regime and overseas incorporated AIs required to complete MA(BS)12A have to report aggregate positions in the banking book and trading book.

(2) Report interest rate risk exposures in major currencies as defined in the Completion Instructions, including at least Hong Kong dollar and US dollar (nil returns are required for these two currencies). Use the same return form for each currency.

(3) Report items under different time bands based on the earliest interest repricing date as specified in the Completion Instructions.

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Interest Rate Risk in the Banking Book (Form 2)

Position of * Banking Book / Trading Book and Banking Book (Note (1))

Currency (Note (2)): ___________________

* Delete where inappropriate.

(In HK$ Million or equivalent)

TIME BAND		INTEREST RATE-SENSITIVE LIABILITIES (Note (3))											
		5. Total interest rate-sensitive liabilities				6. Fixed rate liabilities				7. Floating rate liabilities		8. Managed rate liabilities	
		a. Total 6a+7a+8a	**b. Deposits** 6b+7b+8b	**c. Total weighted average interest costs**	**d. Weighted average interest costs (Deposits)**	a. Total	b. Deposits	c. Retail deposits subject to early redemption risk	d. Non-retail liabilities subject to early redemption risk	a. Total	b. Deposits	a. Total	b. Deposits
Next day or less	(A)			%	%								
2 days to 1 month	(B)			%	%								
1 to 3 months	(C)			%	%								
3 to 6 months	(D)			%	%								
6 to 9 months	(E)			%	%								
9 to 12 months	(F)			%	%								
1 to 1.5 years	(G)			%	%								
1.5 to 2 years	(H)			%	%								
2 to 3 years	(I)			%	%								
3 to 4 years	(J)			%	%								
4 to 5 years	(K)			%	%								
5 to 6 years	(L)			%	%								
6 to 7 years	(M)			%	%								
7 to 8 years	(N)			%	%								
8 to 9 years	(O)			%	%								
9 to 10 years	(P)			%	%								
10 to 15 years	(Q)			%	%								
15 to 20 years	(R)			%	%								
More than 20 years	(S)			%	%								
Total interest rate-sensitive liabilities	Total (A to S)												
Total interest rate-sensitive liabilities (book value)	(T)												
Total non-interest rate-sensitive liabilities (book value)	(U)+(V)												
Equity capital (book value)	(U)												
Others (book value)	(V)												
Total liabilities (book value)	Total (T to V)												

Notes:

(1) Locally incorporated Authorized Institutions (AIs) subject to the market risk capital adequacy regime are required to report positions in the banking book only. Other locally incorporated AIs exempted from the market risk capital adequacy regime and overseas incorporated AIs required to complete MA(BS)12A have to report aggregate positions in the banking book and trading book.

(2) Report interest rate risk exposures in major currencies as defined in the Completion Instructions, including at least Hong Kong dollar and US dollar (nil returns are required for these two currencies). Use the same return form for each currency.

(3) Report items under different time bands based on the earliest interest repricing date as specified in the Completion Instructions.

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Interest Rate Risk in the Banking Book (Form 3)

Position of * Banking Book / Trading Book and Banking Book (Note (1))

Currency (Note (2)): ___________________

* Delete where inappropriate.

(In HK$ Million or equivalent)

		OFF-BALANCE SHEET POSITIONS (Note (3))													
		9. Total		10. Forward foreign exchange contracts		11. Interest rate swaps		12. Cross currency swaps		13. Futures / FRAs		14. Options (Note 4)		15. Others	
TIME BAND		**a. Long** 10a+11a+12a+13a+14a+15a	**b. Short** 10b+11b+12b+13b+14b+15b	a. Long	b. Short	a. Long	b. Short	a. Long	b. Short	a. Long	b. Short	a. Long	b. Short	a. Long	b. Short
Next day or less	(A)														
2 days to 1 month	(B)														
1 to 3 months	(C)														
3 to 6 months	(D)														
6 to 9 months	(E)														
9 to 12 months	(F)														
1 to 1.5 years	(G)														
1.5 to 2 years	(H)														
2 to 3 years	(I)														
3 to 4 years	(J)														
4 to 5 years	(K)														
5 to 6 years	(L)														
6 to 7 years	(M)														
7 to 8 years	(N)														
8 to 9 years	(O)														
9 to 10 years	(P)														
10 to 15 years	(Q)														
15 to 20 years	(R)														
More than 20 years	(S)														
Total Options	(T)														
Total off-balance sheet positions	Total (A to T)														

Notes:

(1) Locally incorporated Authorized Institutions (AIs) subject to the market risk capital adequacy regime are required to report positions in the banking book only. Other locally incorporated AIs exempted from the market risk capital adequacy regime and overseas incorporated AIs required to complete MA(BS)12A have to report aggregate positions in the banking book and trading book.

(2) Report interest rate risk exposures in major currencies as defined in the Completion Instructions, including at least Hong Kong dollar and US dollar (nil returns are required for these two currencies). Use the same return form for each currency.

(3) Report items under different time bands based on the earliest interest repricing date as specified in the Completion Instructions.

(4) Option contracts should be reported from the perspective of the option holder by using the delta equivalent value as outlined in paragraph 39 of the Completion Instructions

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Interest Rate Risk in the Banking Book (Form 4)

Position of * Banking Book / Trading Book and Banking Book (Note (1))
Currency (Note (2)): ___________________

* Delete where inappropriate.

(In HK$ Million or equivalent)

	IMPACT / SCENARIO ANALYSIS														
	16. Net positions		**17. Earnings perspective**			**18. Economic value perspective**							**19. Basis risk**		
TIME BAND	**a. Excluding coupon cash flows** 1a-5a +9a-9b	**b. Including coupon cash flows**	**a. Time band mid-point (years)**	**b. Impact on earnings over the next 12 months (parallel up)**	**c. Impact on earnings over the next 12 months (parallel down)**	**a. Current EVE**	**b. Impact on EVE (parallel up)**	**c. Impact on EVE (parallel down)**	**d. Impact on EVE (steepener)**	**e. Impact on EVE (flattener)**	**f. Impact on EVE (short rates up)**	**g. Impact on EVE (short rates down)**	**Period for which changes in interest rates last**	**Scenario (i) All rates except for fixed and managed rates on interest rate-sensitive assets are subject to the parallel up shock**	**Scenario (ii) Managed rates on interest rate-sensitive assets are subject to the parallel down shock while other rates remain unchanged**
Next day or less (A)													1 month		
2 days to 1 month (B)													3 months		
1 to 3 months (C)			0.1667										6 months		
3 to 6 months (D)			0.375										12 months		
6 to 9 months (E)			0.625												
9 to 12 months (F)			0.875												
1 to 1.5 years (G)			1.25												
1.5 to 2 years (H)			1.75												
2 to 3 years (I)			2.5												
3 to 4 years (J)			3.5												
4 to 5 years (K)			4.5												
5 to 6 years (L)			5.5												
6 to 7 years (M)			6.5												
7 to 8 years (N)			7.5												
8 to 9 years (O)			8.5												
9 to 10 years (P)			9.5												
10 to 15 years (Q)			12.5												
15 to 20 years (R)			17.5												
More than 20 years (S)			25												
Options (Note 4) (T)															
Total (A to T)															
Tier 1 capital at reporting date (book value) (Note (3)) (U)															
Impact on EVE as % of Tier 1 capital (A to T) / (U)							%	%	%	%	%	%			
Total positions as % of total on-balance sheet interest rate-sensitive assets or liabilities, whichever is the larger, across all currencies (V)							%								

Notes:

(1) Locally incorporated Authorized Institutions (AIs) subject to the market risk capital adequacy regime are required to report positions in the banking book only. Other locally incorporated AIs exempted from the market risk capital adequacy regime and overseas incorporated AIs required to complete MA(BS)12A have to report aggregate positions in the banking book and trading book.

(2) Report interest rate risk exposures in major currencies as defined in the Completion Instructions, including at least Hong Kong dollar and US dollar (nil returns are required for these two currencies). Use the same return form for each currency.

(3) Report the Tier 1 capital for all currencies. Overseas incorporated institutions should refer to the Tier 1 capital of their head office.

(4) Report the net (fair) value of interest rate options and its changes as outlined in paragraph 43 of the Completion Instructions.