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All amounts in this Report are in Hong Kong dollars, unless otherwise stated.

## Annex: Authorised Institutions and Local Representative Offices

As at 31. 12. 1998

**Licensed Banks****Incorporated in Hong Kong**

Asia Commercial Bank Limited	Hang Seng Bank, Limited	Nanyang Commercial Bank, Limited
Bank of America (Asia) Limited	Hongkong Chinese Bank, Limited (The)	Overseas Trust Bank, Limited
Bank of East Asia, Limited (The)	Hongkong & Shanghai Banking Corporation Limited (The)	Po Sang Bank Limited
Chekiang First Bank Limited	HSBC Investment Bank Asia Limited	Shanghai Commercial Bank Limited
Chiyu Banking Corporation Limited	Hua Chiao Commercial Bank Limited	Tai Sang Bank Limited
CITIC Ka Wah Bank Limited (formerly known as Ka Wah Bank Limited (The))	International Bank of Asia Limited	Tai Yau Bank, Limited
D.A.H. Private Bank Limited	Jardine Fleming Bank Limited	Union Bank of Hong Kong Limited
Dah Sing Bank Limited	Jian Sing Bank Limited	United Chinese Bank Limited
Dao Heng Bank Limited	Kwong On Bank, Limited	Wayfoong Finance Limited
First Pacific Bank Limited	Liu Chong Hing Bank Limited	Wing Hang Bank, Limited
		Wing Lung Bank Limited

**Incorporated outside Hong Kong**

ABN AMRO Bank N.V.	Bank Melli Iran	BHF-Bank Aktiengesellschaft
Agricultural Bank of China (The)	Bank of America NT & SA	Canadian Imperial Bank of Commerce
American Express Bank Limited	Bank of China	CARIPLO-Cassa di Risparmio delle Provincie Lombarde S.p.A.
Argentaria, Caja Postal y Banco Hipotecario, S.A. (formerly known as Banco Exterior de Espana, S.A.)	Bank of Communications	Chang Hwa Commercial Bank Ltd.
Asahi Bank, Ltd. (The)	Bank of Fukuoka, Ltd. (The)	Chase Manhattan Bank (The)
Australia & New Zealand Banking Group Limited	Bank of India	Chiba Bank, Ltd. (The)
Baden-Württembergische Bank Aktiengesellschaft # ▲	Bank of Montreal	China & South Sea Bank, Ltd. (The)
Banca Commerciale Italiana S.p.A.	Bank of New York (The)	China Construction Bank
Banca di Roma S.p.A.	Bank of Nova Scotia (The)	China State Bank, Ltd. (The)
Banco Nazionale del Lavoro S.p.A.	Bank of Scotland	Chugoku Bank, Ltd. (The)
Banco Central Hispanoamericano, S.A.	Bank of Taiwan	Chung Khiaw Bank Limited
Banco di Napoli S.p.A.	Bank of Tokyo-Mitsubishi, Ltd. (The)	Chuo Trust & Banking Co., Ltd (The)
Banco Santander, S.A.	Bank of Yokohama, Ltd. (The) *	Citibank, N.A.
Bangkok Bank Public Company Ltd.	Bankers Trust Company	Commercial Bank of Korea, Limited (The) (formerly known as Hanil Bank)
Bank Austria Aktiengesellschaft	Banque Nationale de Paris	Commerzbank AG
Bank Austria Creditanstalt International AG (formerly known as Creditanstalt - Bankverein)	Banque Worms	Commonwealth Bank of Australia
BankBoston, National Association	Barclays Bank plc	Coöperatieve Centrale Raiffeisen - Boerenleenbank B.A. (also called Rabobank Nederland)
Bank Brussels Lambert S.A.	Bayerische Hypotheken-und Wechsel-Bank AG *	Coutts Bank (Schweiz) AG
	Bayerische Hypo-und Vereinsbank Aktiengesellschaft (formerly known as Bayerische Vereinsbank Aktiengesellschaft)	Credit Agricole Indosuez
	Bayerische Landesbank Girozentrale	

▲ Approved but not yet opened

# Addition in 1998

\* Deletion in 1998

## Annex: Authorised Institutions and Local Representative Offices (Cont.)

**Licensed Banks****Incorporated outside Hong Kong**

Credit Commercial de France	Iyo Bank, Ltd. (The)	Sanwa Bank, Limited (The)
Credit Lyonnais	Juroku Bank, Ltd. (The)	SEOULBANK
Credit Suisse First Boston	KBC Bank N.V. (formerly known as Kredietbank N.V.)	Shiga Bank, Ltd. (The)
Dai-Ichi Kangyo Bank, Limited (The)	Kincheng Banking Corporation	Shizuoka Bank, Ltd. (The)
Daishi Bank, Ltd. (The)	Korea Exchange Bank	Sin Hua Bank Limited
Daiwa Bank, Limited (The)	Kwangtung Provincial Bank (The)	Skandinaviska Enskilda Banken AB (publ)
Den Danske Bank Aktieselskab	Long-Term Credit Bank of Japan, Limited (The)	Societe Generale
Deutsche Bank AG	Malayan Banking Berhad	Standard Chartered Bank
Development Bank of Singapore Ltd. (The)	Mitsubishi Trust and banking Corporation (The)	State Bank of India
DG Bank - Deutsche Genossenschaftsbank	Mitsui Trust and Banking Co. Ltd. (The)	State Street Bank and Trust Company
Dresdner Bank AG	Morgan Guaranty Trust Company of New York	Sumitomo Bank, Limited (The)
Eighteenth Bank, Ltd. (The)	Natexis Banque	Sumitomo Trust & Banking Co., Ltd. (The)
Equitable Banking Corporation	National Australia Bank Limited	Suruga Bank, Ltd. (The) *
Erste Bank der oesterreichischen Sparkassen AG #	National Bank of Canada	Svenska Handelsbanken AB (publ)
First Commercial Bank	National Bank of Pakistan	Tokai Bank, Limited (The)
First National Bank of Chicago (The)	National Commercial Bank, Limited (The)	Tokyo Tomin Bank, Ltd. (The) *
Fuji Bank, Limited (The)	National Westminster Bank plc	Toronto-Dominion Bank (The)
Fukui Bank, Ltd. (The) *	NationsBank, National Association (The)	Toyo Trust and Banking Company, Limited (The)
Fukuoka City Bank, Ltd. (The)	Nishi-Nippon Bank, Ltd. (The)	UBS AG (formerly known as Swiss Bank Corporation)
Generale bank	Norwest Bank Minnesota, N.A.	UCO Bank
General Belgian Bank (abbrev. to Belgian Bank)	Ogaki Kyoritsu Bank, Ltd. (The)	Unibank A/S
Gunma Bank, Ltd. (The) *	Oversea-Chinese Banking Corporation Limited	UniCredito Italiano Societa' per Azioni (formerly known as Credito Italiano S.p.A.)
Hachijuni Bank, Ltd. (The)	Overseas Union Bank Limited	Union Bank of Switzerland *
Hamburgische Landesbank Girozentrale	PARIBAS (formerly known as Banque Paribas)	United Overseas Bank Ltd.
Hiroshima Bank, Ltd. (The) *	Philippine National bank	Westdeutsche Landesbank Girozentrale
Hokkoku Bank, Limited (The)	PT. Bank Negara indonesia (Persero) Tbk.	Westpac Banking Corporation
Hokuriku Bank, Ltd. (The) *	Republic national bank of New York	Yamaguchi Bank, Ltd. (The)
Hua Nan Commercial Bank, Ltd.	Royal Bank of Canada	Yasuda Trust & Banking Company, Limited (The)
Hyakujushi Bank, Ltd. (The) *	Royal Bank of Scotland plc (The)	Yien Yieh Commercial Bank, Ltd. (The)
Indian Overseas Bank	Sakura Bank, Limited (The)	Zenshinren Bank (The)
Industrial and Commercial Bank of China (The)	San-in Godo Bank, Ltd. (The)	
Industrial Bank of Japan, Limited (The)		
ING Bank N.V.		

## Annex: Authorised Institutions and Local Representative Offices (Cont.)

**Restricted Licence Banks****Incorporated in Hong Kong**

ABSA Asia Limited	Daiwa Securities (H.K.) Ltd. *	Lehman Brothers Finance Limited
Allied Capital Resources Limited	DKB Asia Limited	LTCB Asia Limited *
Ansbacher (Hong Kong) Limited (formerly known as FNB (Asia) Limited)	East Asia Finance Company, Limited	Nedcor Asia Limited
BA Asia Limited	Fuji International Finance (HK) Limited	N.M. Rothschild & Sons (Hong Kong) Limited
BNP International Financial Services(Hong Kong) Limited	GE Capital Finance limited	Nomura International (Hong Kong) Limited *
BOCI Capital Limited (formerly known as China Development Finance Company (Hong Kong) Limited)	H & CB Finance (Hong Kong) Limited (formerly known as DongNam Finance (Hong Kong) Limited)	ORIX Asia Limited
Canadian Eastern Finance Limited	Hang Seng Finance Limited	Pacific Finance (Hong Kong) Limited
CCIC Finance Limited	IBJ Asia Limited *	Sanwa International Finance Limited
Chase Manhattan Asia Limited	Indover Asia Limited	Schroders Asia Limited
Chase Manhattan Card Company Limited (formerly known as Manhattan Card Co. Limited)	Industrial and Commercial International Capital Limited	Shinhan Finance Limited
Citicorp Commercial Finance (H.K.) Limited	ING Capital Markets (Hong Kong) Limited	Societe Generale Asia Limited
Citicorp International Limited	KDB Asia Limited	SPC Credit Limited
	Kincheng-Tokyo Finance Company Limited	Tokyo-Mitsubishi International (HK) Limited
		UBAF (Hong Kong) Limited

**Incorporated outside Hong Kong**

Bank Bumiputra Malaysia Berhad	First Union National Bank (formerly known as CoreStates Bank, N.A.)	Pacific Bank, N.A. (The)
Bank of Ayudhya Public Company Limited	Hill Samuel Bank Limited *	P.T. Bank Pembangunan Indonesia (Persero)
Bank of Bermuda, Limited (The)	Industrial Bank of Korea	Public Bank Berhad
Bank of Hawaii	International Bank of Taipei (formerly known as Taipei Business Bank)	Siam Commercial Bank Public Company Limited (The )
Bank of N.T. Butterfield & Son Ltd. (The )	Keppel TatLee Bank Limited (formerly known as Keppel Bank of Singapore Ltd.)	Tat Lee Bank Limited *
Bankers Trust Australia Limited	Kleinwort Benson Limited	Thai Farmers Bank Public Company Ltd.(The)
Boram Bank	KorAm Bank	Thai Military Bank Public Company Ltd. (The)
Chinatrust Commercial Bank, Limited	Lloyds Bank Plc	Union Bank of California, National Association
Citibank International	MeesPierson N.V.	
Emirates Bank International (Public Joint Stock Company)		

▲ Approved but not yet opened

# Addition in 1998

\* Deletion in 1998

## Annex: Authorised Institutions and Local Representative Offices (Cont.)

**Deposit-taking companies****Incorporated in Hong Kong**

ACB Finance Limited	Commonwealth Finance Corporation Limited	HBZ Finance Limited
Argo Enterprises Company Limited	Corporate Finance (D.T.C.) Limited	Henderson International Finance Limited
Asahi Finance (Hong Kong) Limited	Cosmos Finance Limited	Hiroshima Finance (Asia) Limited *
Ashikaga Finance (H.K.) Limited (The)*	Credit Lyonnais Hongkong (Finance) Limited	Hokuriku Finance (H.K.) Limited *
Avco Financial Services (Asia) Limited	Dah Sing Finance Limited	Hung Kai Finance Company Limited
BA Finance (Hong Kong) Limited	Daiwa Overseas Finance Limited	Hyakujushi Finance (Hong Kong) Limited *
Bali International Finance Limited	Danamon Finance Company (Hong Kong) Limited	IBA Credit Limited
BCA Finance Limited	Dao Heng Finance Limited	IBU International Finance Limited
BCOM Finance (Hong Kong) Limited	Delta Asia Credit Limited	Inchroy Credit Corporation Limited
BDNI Finance Limited	Dharmala International Finance Limited	Indo Hong Kong International Finance Limited
BEII (DTC) Limited *	Duta International Finance Company Limited	Iyo Finance (Hong Kong) Limited
BII Finance Company Limited	East Asia Credit Company Limited	JCG Finance Company, Limited
BNS International (Hong Kong) Limited	Edward Wong Credit Limited	Juroku International Finance Limited
BPI International Finance Limited	First Metro International Investment Company Limited	Ka Wah International Merchant Finance Limited
BRI Finance Limited	First Union HKCB Asia Limited	KEB (Asia) Finance Limited
BT Asia Limited	Five Rams Finance Company Limited	Kexim Asia Limited
Bumi Daya International Finance Limited	Fukuoka City Finance Limited	Kincheng Finance (H.K.) Limited
C.F. Finance Company Limited	Fukuoka Finance International Limited	KLB Asia Finance Limited
Charoen Pokphand Finance Company Limited	Gunma Finance (Hong Kong) Limited	Kookmin Finance Asia Limited
Chau's Brothers Finance Company Limited	Habib Finance International Limited	Korea Commercial Finance Limited
Che Hsing Finance Company Limited	Hachijuni Asia Limited	Korea First Finance Limited
Chiao Yue Finance Company Limited	Hamburg LB International Limited	Kwong On Finance Ltd.
China State Finance Company, Limited (The) *	Hana Finance Asia Limited	Kyoto International Finance (Hong Kong) Limited
Chiyu Finance Company Limited	Hang Seng Credit Ltd.	Liu Chong Hing Finance Limited
Cho Hung Finance Limited	Hanil International Finance Limited *	Mashreq Asia Limited
Chung Nan Finance Company Limited		Michinoku Finance (Hong Kong) Limited
Chuo Trust Asia Limited		

## Annex: Authorised Institutions and Local Representative Offices (Cont.)

**Deposit-taking companies****Incorporated in Hong Kong**

Mitsubishi Trust Finance (Asia) Limited	Philtrust Finance Limited	Tokyo Tomin Finance (Hong Kong) Limited *
Mitsui Trust Finance (Hong Kong) Limited	PNB International Finance Limited	Toyo Trust Asia Limited
Nanyang Finance Company, Limited	Po Fung Finance Company Limited	Union Finance Limited
Niaga Finance Company Limited	RCBC International Finance Limited	Vietnam Finance Company Limited
Nishi-Nippon Finance (Hong Kong) Limited	Sakura Finance Hongkong Limited	W.I. Carr Indosuez Capital Asia Limited
Oakreed Financial Services Limited *	Seoul (Asia) Finance Limited *	Wayfoong Credit Limited
OCBC Finance (Hong Kong) Limited *	Shacom Finance Limited	Wing Hang Finance Company Limited
Orient First Capital Limited	Shizuoka Finance (H.K.) Limited *	Wing Lung Finance Limited
O.T.B. Card Company Limited	Sin Hua Finance Company Limited	Wing On Finance Company Limited (The) *
OUB Finance (H.K.) Limited	Staco International Finance Limited	Yasuda Trust Asia Pacific Limited
Paribas Asia Limited	Standard London (Asia) Limited	Yien Yieh Finance Company Ltd. (The)
	Sumitomo Trust Finance (H.K.) Limited (The)	Yokohama Asia Limited *

**Incorporated outside Hong Kong**

Sakura Finance Asia Limited	Sumitomo Finance (Asia) Limited
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▲ Approved but not yet opened

# Addition in 1998

\* Deletion in 1998

## Annex: Authorised Institutions and Local Representative Offices (Cont.)

**Local Representative Offices**

Abbey National Treasury International Limited	Banca Popolare Vicentina Soc. Coop. a r.l.	Banque Sudameris S.A.
Abbey National Treasury Services plc	Banca San Paolo di Brescia S.p.A.	Berliner Bank Aktiengesellschaft
Advance Bank Australia Limited *	Banca Toscana S.p.A.	BSI-Banca della Svizzera Italiana
Aichi Bank Ltd (The)	Banco Ambrosiano Veneto S.p.A. (formerly known as Banco Ambrosiano Veneto)	Caisse Centrale des Banques Populaires
Ansbacher (Jersey) Limited	Banco Atlantico S.A.	Cater Allen Bank (Isle of Man) Ltd. #
ANZ Grindlays Bank Limited *	Banco do Brasil S.A.	Cathay Bank
Aomori Bank, Ltd. (The) *	Banco Nacional Ultramarino, S.A.	Cedel Bank
Arab Banking Corporation *	Banco Popular Español, S.A.,	China International Trust and Investment Corporation
Ashikaga Bank Ltd. (The)	Banco Santander (Suisse) S.A.	China Investment Bank
Awa Bank, Ltd. (The)	Banco Sud Americano	China Merchants Bank
Baden-Württembergische Bank AG *	Bank für Arbeit und Wirtschaft Aktiengesellschaft#	Cho Hung Bank *
Banca Agricola Mantovana Soc. Coop.a r.l.	Bank Hapoalim B.M. *	Chukyo Bank, Limited (The)
Banca Antoniana-Popolare Veneta S.C.A R.L.	Bank Julius Baer & Co. Ltd.	Clariden Bank
Banca Cassa di Risparmio di Torino S.p.A.	Bank Kreiss AG	Comerica Bank
Banca Popolare Commercio e Industria Soc. Coop. a r.l.	Bank Leumi Le-Israel B.M.	Compagnie Financiere de CIC et de L'Union Europeenne
Banca Popolare dell'Emilia Romagna Soc. Coop. a r.l.	Bank of Ikeda, Ltd. (The) *	Cooperbanca S.p.A.
Banca Popolare di Ancona Societa' per azioni	Bank of Iwate, Ltd. (The)	Credit Agricole Indosuez Luxembourg
Banca Popolare di Bergamo-Credito Varesino Soc. Coop. a r.l.	Bank of Kyoto, Ltd. (The)	Credit Suisse
Banca Popolare di Crema Soc. Coop. a r.l.	Bank of New York-Inter Maritime Bank, Geneva	Credito Bergamasco S.p.A. #
Banca Popolare di Cremona Soc. Coop. a r.l.	Bank of Saga Ltd. (The)	D.A.H. Hambros Bank (Channel Island) Limited
Banca Popolare di Lodi Soc. Coop. a r.l.	Bank of Scotland Offshore Limited (formerly known as Bank of Scotland (Jersey) Limited)	Daedong Bank Limited *
Banca Popolare di Ravenna S.p.A.	Bank of Yokohama, Ltd. (The) #	Daegu Bank, Ltd. (The) *
Banca Popolare di Sondrio Soc. Coop. a r.l.	Bank SinoPac #▲	Dai-Ichi Kangyo Bank (Schweiz) AG *
Banca Popolare di Verona - Banco S. Geminiano e S. Prospero - Societa Cooperativa di credito a responsabilita' limitata	Banque Cantonale Vaudoise	DG Diskontbank GmbH
	Banque Generale du Luxembourg S.A.	Donghwa Bank *
	Banque Generale du Luxembourg (Suisse) S.A.	E.Sun Commercial Bank, Ltd. #▲
	Banque Internationale A Luxembourg S.A.	Ehime Bank, Ltd. (The) *
	Banque Privee Edmond de Rothschild S.A.	Erste Bank der oesterreichischen Sparkassen AG *
		Export-Import Bank of Japan (The)
		Everbright Bank of China
		Ferrier Lullin & Cie S.A.
		Fiduciary Trust Company International

## Annex: Authorised Institutions and Local Representative Offices (Cont.)

**Local Representative Offices**

First National Bank of Southern Africa Ltd.	LGT Bank in Liechtenstein Aktiengesellschaft	P.T. Bank Rakyat Indonesia (Persero)
First Union National Bank *	Marine Midland Bank	Pusan Bank *
Fransbank S.A.L.	Mashreq Bank P.S.C.	Raiffeisen Zentralbank Osterreich AG
Gotthard Bank # ▲	Merita Bank Plc ( formerly known as Merita Bank Ltd.)	Republic National Bank of N.Y. (Luxembourg) S.A.
Guangdong Development Bank	Merrill Lynch Bank (Suisse) S.A.	Republic National Bank of New York (Suisse) S.A.
Guyerzeller Bank AG	Merrill Lynch International Bank Limited	Rolo Banca 1473 S.p.A.
Habib Bank A.G. Zurich	Metropolitan Bank and Trust Company	Rothschild Bank AG
Hambros Bank Limited *	Michinoku Bank, Ltd. (The)	Sanwa Bank (Schweiz) AG
Handelsfinanz-CCF Bank	Midland Bank Offshore Limited	Shenzhen Development Bank Limited
Hiroshima Bank, Ltd. (The) # ▲	Midland Bank plc	Shinhan Bank *
Hokkaido Takushoku Bank, Ltd. (The) *	Mie Bank, Ltd. (The) *	Shoko Chukin Bank (The)
Hokuetsu Bank, Ltd. (The)	Miyazaki Bank, Ltd. (The)	St. George Bank Limited #
Hongkong Bank of Canada	Morgan Stanley Trust Company *	Standard Bank London Limited *
HongkongBank of Australia Limited	Musashino Bank Limited (The)	Standard Bank of South Africa Ltd (The)
Housing & Commercial Bank, Korea *	Nanto Bank, Ltd. (The)	Standard Chartered Bank (C.I.) Ltd.
IKB Deutsche Industriebank AG	National Bank of New Zealand Limited (The)	Sudwestdeutsche Landesbank
Investec Bank Limited	Nedcor Bank Limited	TAIB Bank E.C. *
Joyo Bank, Ltd. (The)	Nederlandse Scheepshypotheekbank N.V.	Taipeibank #
Kagoshima Bank Ltd. (The)	Nippon Credit Bank, Ltd. (The)	Taishin International Bank # ▲
Kangwon Bank *	Nordbanken AB (publ)	Taiwan Business Bank
Kiyo Bank, Ltd. (The)	Norinchukin Bank (The) #	Toho Bank, Limited (The)
Kookmin Bank *	Offitbank	Trinkaus & Burkhardt (International) S.A.
Korea Development Bank (The)	Oita Bank, Ltd. (The)	Ueberseebank AG
Korea First Bank *	P.T. Bank Bumi Daya (Persero)	Union Bancaire Privee CBI-TDB
Korea Long Term Credit Bank *	P.T. Bank Central Asia	United World Chinese Commercial Bank
Kredietbank S.A. Luxembourgeoise	P.T. Bank Dagang Negara (Persero)	Wells Fargo Bank, N.A.
Kwangju Bank Ltd. (The) *	P.T. Bank Danamon Indonesia	West Merchant Bank Limited
Kyongnam Bank *	P.T. Bank Duta	Woolwich Guernsey Limited *
Land Bank of Taiwan # ▲	P.T. Bank Ekspor Impor Indonesia (Persero) *	Yamanashi Chuo Bank, Ltd.
Landesbank Hessen - Thuringen Girozentrale		

▲ Approved but not yet opened

# Addition in 1998

\* Deletion in 1998



Table A: Major Economic Indicators

	1994	1995	1996	1997	1998	1999(a)
<b>I. Gross Domestic Product</b>						
Real GDP growth (%)	5.4	3.9	4.5	5.3	<b>-5.1 (b)</b>	0.5
Nominal GDP growth (%)	12.6	6.6	10.7	12.8	<b>-4.1 (b)</b>	-0.5
Real growth of major expenditure components of GDP (%)						
- Private consumption expenditure	6.7	1.6	4.7	6.7	<b>-6.8 (b)</b>	2.5
- Government consumption expenditure	3.9	3.2	4.0	2.4	<b>0.7 (b)</b>	4.0
- Gross domestic fixed capital formation	15.7	10.7	10.8	15.6	<b>-6.1 (b)</b>	-4.0
of which						
- Construction	18.4	4.0	8.7	6.5	<b>-3.8 (b)</b>	-3.8
- Machinery and equipment	17.7	25.0	11.8	16.7	<b>-7.1 (b)</b>	-4.4
- Exports	9.8	11.0	5.5	5.1	<b>-4.6 (b)</b>	-2.8
- Imports	13.5	12.7	4.4	6.9	<b>-6.6 (b)</b>	-1.4
GDP at current market prices (US\$ billion)	130.8	139.2	154.1	173.6	<b>166.5 (b)</b>	165.5
Per capita GDP at current market prices (US\$)	21,674	22,618	24,419	26,701	<b>24,892 (b)</b>	24,300
<b>II. External Trade (HK\$ billion)</b>						
Merchandise trade						
- Domestic exports of goods	222.1	231.7	212.2	211.4	<b>188.5</b>	175.5
- Re-exports of goods	947.9	1,112.5	1,185.8	1,244.5	<b>1,159.2</b>	1,096.0
- Total imports of goods (c)	1,254.4	1,495.7	1,539.9	1,619.5	<b>1,432.4</b>	1,369.0
- Merchandise trade balance (c)	-84.4	-151.6	-141.9	-163.5	<b>-84.8</b>	-97.4
Services trade						
- Exports of services	240.7	265.6	296.2	295.8	<b>264.6 (b)</b>	268.5
- Imports of services	144.1	160.9	170.9	179.7	<b>175.7 (b)</b>	175.9
- Services trade balance	96.6	104.8	125.3	116.1	<b>88.9 (b)</b>	92.6
<b>III Fiscal Expenditure and Revenue (HK\$million, fiscal year)</b>						
Total government expenditure	164,155	183,158	182,680	194,360	<b>245,096 (b)</b>	241,625
Total government revenue	174,998	180,045	208,358	281,226	<b>212,830 (b)</b>	205,122
Consolidated surplus/deficit	10,843	-3,113	25,678	86,866	<b>-32,266 (b)</b>	-36,503
Reserve balance as at end of fiscal year	151,040	147,927	173,605	457,543	<b>425,277 (b,d)</b>	388,774
<b>IV. Prices (annual change, %)</b>						
Consumer Price Index (A)	8.1	8.7	6.0	5.7	<b>2.6</b>	<b>-1.5</b>
Composite Consumer Price Index	8.8	9.1	6.3	5.8	<b>2.8</b>	<b>-2.0</b>
Trade Unit Value Indices						
- Domestic exports	1.6	2.4	0.3	-2.3	<b>-2.9</b>	n.a.
- Re-exports	1.5	3.5	-0.5	-1.5	<b>-3.9</b>	n.a.
- Imports	2.8	5.0	-1.3	-2.3	<b>-4.9</b>	n.a.
Property Price Indices						
- Residential flats	23	-7	10	41	<b>-29</b>	n.a.
- Office premises	39	-15	-2	12	<b>-37</b>	n.a.
- Retail premises	17	-3	4	33	<b>-29</b>	n.a.
- Flatted factory premises	6	-12	-14	0	<b>-22</b>	n.a.

n.a.: not available

Because of rounding, the figures set out in Tables A to P may not add up.

Table A : Major Economic Indicators (Cont.)

	1994	1995	1996	1997	1998
<b>V. Labour</b>					
Labour force (annual change, %)	2.5	2.4	3.1	3.9	4.4
Employment (annual change, %)	2.6	1.1	3.5	4.6	1.8
Unemployment rate (annual average, %)	1.9	3.2	2.8	2.2	4.7
Underemployment rate (annual average, %)	1.4	2.1	1.7	1.2	2.5
Employment ('000)					
- Manufacturing	563	535	482	444	392
- Financing, insurance, real estate and business services	326	342	354	400	419
- Wholesale, retail and import/export trades, restaurants and hotels	828	825	887	952	974
<b>VI. Money Supply (HK\$ billion)</b>					
HK\$ Money supply					
- M1	167.9	171.6	198.3	188.1	178.3
- M2(e)	1,094.7	1,260.4	1,503.6	1,652.5	1,814.1
- M3(e)	1,112.1	1,278.3	1,520.5	1,670.4	1,826.2
Total Money supply					
- M1	185.3	190.5	217.5	208.1	197.7
- M2	1,992.4	2,282.8	2,532.2	2,743.0	3,066.1
- M3	2,070.8	2,364.0	2,611.6	2,825.6	3,122.3
<b>VII. Interest Rates (end of period, %)</b>					
Three-month interbank rate	6.31	5.88	5.50	9.13	5.06
Savings deposit	3.75	4.00	3.75	4.75	4.25
One-month time deposit	5.00	5.18	4.69	7.08	4.74
Banks' 'Best lending rate'	8.50	8.75	8.50	9.50	9.00
<b>VIII. Exchange Rates (end of period)</b>					
HK\$/US\$	7.738	7.732	7.736	7.746	7.746
Trade-weighted Effective Exchange Rate Index (Nov 1983=100)	123.5	122.7	125.3	137.9	131.8
<b>IX. Foreign Currency Assets (US\$ billion) (f)</b>	49.3	55.4	63.8	92.8	89.6
<b>X. Stock Market (end of period figures)</b>					
Hang Seng Index	8,191	10,073	13,451	10,723	10,049
Average price/earning ratio	10.7	11.4	16.7	12.1	10.7
Market capitalisation (HK\$ billion)	2,085.2	2,348.3	3,476.0	3,202.6	2,661.7

(a) Forecast as at March 1999.

(b) The estimates are preliminary.

(c) Adjusted to include an estimate of imports of gold for industrial and commercial use.

(d) Includes the Hong Kong SAR Government Land Fund balance.

(e) Adjusted to include foreign currency swap deposits.

(f) Excludes unsettled forward transactions but includes gold.

Table B: Performance Ratios of the Banking Sector <sup>(1)</sup>

(%)	All Authorised Institutions		All Local Banks	
	1997	1998	1997	1998
<b>Profitability</b>				
Operating profit to shareholders' funds	N.A.	N.A.	17.9	10.9
Post-tax profit to shareholders' funds	N.A.	N.A.	15.7	9.4
Return on assets (operating profit)	0.69	0.38	1.88	1.17
Return on assets (post-tax profit)	0.60	0.30	1.65	1.01
Net interest margin	1.08	1.13	2.44	2.26
Cost-income ratio	45.9	48.4	37.8	39.6
<b>Asset Quality<sup>(2)</sup></b>				
Bad debt charge to total assets	0.13	0.43	0.15	0.64
As % of total credit exposures <sup>(3)</sup>				
Provisions <sup>(4)</sup>	0.85	1.78	1.57	2.64
Classified <sup>(5)</sup> exposures:				
Gross	1.07	4.38	1.71	6.15
Net of specific provisions	0.72	3.18	1.00	4.32
Net of all provisions	0.22	2.61	0.14	3.51
As % of total loans				
Provisions <sup>(4)</sup>	1.03	2.15	2.02	3.34
Classified <sup>(5)</sup> loans:				
Gross	1.23	5.09	2.08	7.33
Net of specific provisions	0.81	3.65	1.19	5.05
Net of all provisions	0.20	2.94	0.06	3.99
Overdue loans <sup>(6)</sup> to total loans	1.07	4.10	1.81	5.10
Credit card charge-off ratio <sup>(7)</sup>	2.1	3.1	N.A.	N.A.
<b>Capital Adequacy</b>				
Equity to assets ratio <sup>(2)</sup>	N.A.	N.A.	9.9	9.2
Capital adequacy ratio <sup>(8)</sup>	N.A.	N.A.	17.5	18.6
<b>Liquidity</b>				
Loan to deposit ratio (all currencies)	154.7	111.9	68.6	58.9
HK dollar loan to deposit <sup>(9)</sup> ratio	113.3	100.6	78.6	71.6

(1) Figures relate to HK office(s) only except where otherwise stated.

(2) Figures relate to HK office(s) and in the case of local banks, include overseas branches except for the bad debt charge and credit card charge-off ratio.

(3) Credit exposures includes loans & advances, acceptances & bills of exchange held, accrued interest, and commitments and contingent liabilities to or on behalf of non-banks.

(4) Amount of total provisions outstanding.

(5) Those loans or exposures graded as "substandard", "doubtful" or "loss".

(6) More than 3 months overdue loans and bills and rescheduled loans.

(7) Based on a monthly credit card survey of 17 authorised institutions since Jan 1996.

(8) Consolidated ratios for all locally incorporated institutions.

(9) Include swap deposits.

N.A.: not available

Table C: Authorised Institutions: Country/Region of Beneficial Ownership

Country/Region	Licensed Banks					Restricted Licence Banks					Deposit-Taking Companies				
	94	95	96	97	98	94	95	96	97	98	94	95	96	97	98
<b>Asia &amp; Pacific</b>															
Hong Kong	16	16	16	16	16	2	2	2	2	2	17	17	16	15	14
Australia	4	4	4	4	4	1	1	-	-	-	-	-	-	-	-
Mainland China	15	18	18	18	18	2	2	3	3	3	15	15	14	14	13
India	4	4	4	4	4	-	-	-	-	-	3	3	3	3	3
Indonesia	3	3	3	3	3	2	2	2	2	2	14	14	14	14	13
Japan	45	46	46	44	36	12	12	11	11	7	37	37	35	30	22
Malaysia	3	3	3	3	3	2	2	2	2	2	3	3	3	3	3
New Zealand	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pakistan	1	1	1	1	1	-	-	-	-	-	1	1	2	2	2
Philippines	2	2	2	2	2	1	1	1	1	1	6	6	6	6	6
Singapore	5	5	5	5	5	2	2	2	2	1	3	2	2	2	1
South Korea	3	3	3	3	3	5	6	6	6	6	8	9	10	10	8
Thailand	1	1	1	1	1	4	4	4	4	4	1	1	1	1	1
Taiwan	4	4	4	4	4	-	-	-	2	2	-	-	-	-	-
Vietnam	-	-	-	-	-	-	-	-	-	-	1	1	1	1	1
<b>Sub-Total</b>	<b>106</b>	<b>110</b>	<b>110</b>	<b>108</b>	<b>100</b>	<b>33</b>	<b>34</b>	<b>33</b>	<b>35</b>	<b>30</b>	<b>109</b>	<b>109</b>	<b>107</b>	<b>101</b>	<b>87</b>
<b>Europe</b>															
Austria	2	2	2	2	3	-	-	-	-	-	-	-	-	-	-
Belgium/Luxembourg	3	3	3	4	4	-	-	-	-	-	2	-	-	-	-
Denmark	2	2	2	2	2	-	-	-	-	-	-	-	-	-	-
France	9	9	9	8	8	2	3	3	3	3	6	5	4	3	3
Germany	10	10	10	10	10	-	1	1	1	1	1	1	1	1	1
Italy	7	7	6	6	6	-	-	-	-	-	-	-	-	-	-
Netherlands	3	3	3	3	3	2	2	2	2	2	-	-	-	-	-
Norway	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Republic of Ireland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Spain	3	3	3	3	3	-	-	-	-	-	-	-	-	-	-
Sweden	3	2	2	2	2	-	-	-	-	-	-	-	-	-	-
Switzerland	3	3	3	3	2	1	2	1	1	1	-	-	-	-	-
United Kingdom	7	7	7	7	7	7	3	4	4	3	4	3	1	-	-
<b>Sub-Total</b>	<b>52</b>	<b>51</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>12</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>10</b>	<b>13</b>	<b>9</b>	<b>6</b>	<b>4</b>	<b>4</b>

Table C: Authorised Institutions: Country/Region of Beneficial Ownership (Cont.)

Country/Region	Licensed Banks					Restricted Licence Banks					Deposit-Taking Companies				
	94	95	96	97	98	94	95	96	97	98	94	95	96	97	98
<b>Middle East</b>															
Bahrain	1	1	1	1	1	-	-	-	-	-	1	1	1	1	1
Iran	1	1	1	1	1	-	-	-	-	-	-	-	-	-	-
U.A.E.	-	-	-	-	-	1	1	1	1	1	1	1	1	1	1
<b>Sub-Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>North America</b>															
Canada	6	6	6	6	6	1	1	1	1	1	1	1	1	1	1
United States	14	16	14	14	14	11	11	11	13	13	10	9	7	5	5
<b>Sub-Total</b>	<b>20</b>	<b>22</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>14</b>	<b>14</b>	<b>11</b>	<b>10</b>	<b>8</b>	<b>6</b>	<b>6</b>
South Africa	-	-	-	-	-	3	3	3	3	3	1	1	1	1	1
Bermuda	-	-	-	-	-	2	2	2	2	2	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	1	1	-	1	1
<b>Grand Total</b>	<b>180</b>	<b>185</b>	<b>182</b>	<b>180</b>	<b>172</b>	<b>63</b>	<b>63</b>	<b>62</b>	<b>66</b>	<b>60</b>	<b>137</b>	<b>132</b>	<b>124</b>	<b>115</b>	<b>101</b>

Table D: Presence of World's Largest 500 Banks in Hong Kong

Positions as at 31.12.98	Number of Overseas Banks (b)					Licensed Banks (c)				
	94	95	96	97	98	94	95	96	97	98
<b>World Ranking (a)</b>										
1-20	19	19	19	19	<b>19</b>	17	18	18	21	<b>22</b>
21-50	28	27	26	26	<b>25</b>	23	25	25	24	<b>24</b>
51-100	38	39	36	36	<b>35</b>	29	29	29	29	<b>29</b>
101-200	65	57	57	51	<b>62</b>	44	45	42	37	<b>30</b>
201-500	86	86	75	83	<b>72</b>	24	26	19	20	<b>21</b>
Sub-total	236	228	213	215	<b>213</b>	137	143	133	131	<b>126</b>
Others	93	109	121	122	<b>96</b>	11	11	18	18	<b>46</b>
<b>Total</b>	329	337	334	337	<b>309</b>	148	154	151	149	<b>172</b>

(a) Top 500 banks/banking groups in the world ranked by total assets less contra items. Figures are extracted from *The Banker*, July 1998 issue.

(b) The sum of the number of licensed banks, restricted licence banks, deposit-taking companies and local representative offices is greater than the number of banks with a presence in Hong Kong because of multiple presence of some banks. The figures exclude banks incorporated in Hong Kong.

(c) Including restricted licence banks and deposit-taking companies which are subsidiaries of overseas banks, classified in accordance with the world ranking of these overseas banks.

Restricted Licence Banks (c)					Deposit-Taking Companies					Local Representative Offices				
94	95	96	97	98	94	95	96	97	98	94	95	96	97	98
10	11	10	13	<b>12</b>	13	12	10	8	<b>7</b>	4	3	3	-	-
7	5	6	10	<b>10</b>	9	9	7	6	<b>4</b>	6	3	4	2	<b>2</b>
2	4	3	-	<b>1</b>	15	10	10	8	<b>7</b>	9	11	9	5	<b>5</b>
5	3	1	-	<b>2</b>	17	17	17	21	<b>10</b>	20	17	17	15	<b>13</b>
17	15	12	13	<b>12</b>	17	15	12	13	<b>18</b>	57	52	44	40	<b>33</b>
41	38	32	36	<b>37</b>	18	19	9	26	<b>46</b>	96	86	77	62	<b>53</b>
12	13	17	16	<b>23</b>	20	23	34	12	<b>55</b>	60	71	80	97	<b>88</b>
53	51	49	52	<b>60</b>	92	90	87	81	<b>101</b>	156	157	157	159	<b>141</b>

Table E: Flow of Funds for All Authorised Institutions						
(HK\$ bn) Increase/(Decrease) in	HK\$	1997 Foreign Currency	Total	HK\$	1998 Foreign Currency	Total
<b>Loans to customers</b>	295	(88)	207	(47)	(770)	(817)
Inside Hong Kong (a)	288	119	407	(39)	(80)	(119)
Outside Hong Kong	6	(214)	(208)	(4)	(670)	(674)
Others	1	7	8	(4)	(21)	(24)
<b>Interbank lending</b>	48	44	92	(134)	(5)	(139)
Inside Hong Kong	30	(29)	1	(106)	(36)	(142)
Outside Hong Kong	18	73	92	(29)	31	3
<b>All other assets</b>	89	103	192	(2)	(186)	(187)
<b>Total assets</b>	431	59	491	(183)	(960)	(1,144)
<b>Deposits from customers (b)</b>	138	69	206	148	142	290
<b>Interbank borrowing</b>	90	(41)	48	(165)	(1,162)	(1,328)
Inside Hong Kong	35	(30)	4	(107)	(43)	(150)
Outside Hong Kong	55	(11)	44	(58)	(1,119)	(1,177)
<b>All other liabilities</b>	134	102	236	(30)	(76)	(106)
<b>Total liabilities</b>	362	129	491	(48)	(1,096)	(1,144)
<b>Net interbank borrowing/(lending)</b>	42	(86)	(44)	(31)	(1,157)	(1,189)
<b>Net customer lending/(borrowing)</b>	157	(157)	1	(195)	(912)	(1,107)

(a) Includes trade financing loans but excludes loans to finance trade not touching Hong Kong.

(b) HK\$ customer deposits include swap deposits.



Table F: Total Loans and Deposits by Category of Authorised Institution

(HK\$ bn)	Total Loans and Advances				Deposits from Customers (a)			
	HK\$	Foreign Currency	Total	%	HK\$	Foreign Currency	Total	%
<b>1994</b>								
Licensed Banks	1,007	2,095	3,101	95	1,000	888	1,888	97
Restricted Licence Banks	69	29	98	3	6	31	38	2
Deposit-Taking Companies	44	21	65	2	10	10	20	1
<b>Total</b>	<b>1,119</b>	<b>2,145</b>	<b>3,265</b>	<b>100</b>	<b>1,016</b>	<b>929</b>	<b>1,946</b>	<b>100</b>
<b>1995</b>								
Licensed Banks	1,106	2,447	3,553	95	1,156	1,014	2,170	97
Restricted Licence Banks	81	33	114	3	8	30	38	2
Deposit-Taking Companies	51	21	72	2	8	11	18	1
<b>Total</b>	<b>1,237</b>	<b>2,501</b>	<b>3,739</b>	<b>100</b>	<b>1,172</b>	<b>1,055</b>	<b>2,226</b>	<b>100</b>
<b>1996</b>								
Licensed Banks	1,302	2,406	3,708	95	1,385	1,015	2,400	98
Restricted Licence Banks	91	38	129	3	8	34	43	2
Deposit-Taking Companies	55	24	78	2	6	9	16	1
<b>Total</b>	<b>1,448</b>	<b>2,467</b>	<b>3,915</b>	<b>100</b>	<b>1,400</b>	<b>1,058</b>	<b>2,458</b>	<b>100</b>
<b>1997</b>								
Licensed Banks	1,557	2,319	3,876	94	1,522	1,076	2,598	98
Restricted Licence Banks	127	37	163	4	9	43	52	2
Deposit-Taking Companies	59	24	82	2	6	8	15	1
<b>Total</b>	<b>1,742</b>	<b>2,379</b>	<b>4,122</b>	<b>100</b>	<b>1,538</b>	<b>1,127</b>	<b>2,664</b>	<b>100</b>
<b>1998</b>								
Licensed Banks	1,522	1,565	3,087	94	1,675	1,233	2,908	98
Restricted Licence Banks	121	29	150	5	6	31	36	1
Deposit-Taking Companies	52	15	67	2	5	5	10	-
<b>Total</b>	<b>1,695</b>	<b>1,609</b>	<b>3,305</b>	<b>100</b>	<b>1,685</b>	<b>1,269</b>	<b>2,954</b>	<b>100</b>

(a) HK\$ customer deposits include swap deposits.

A “-” sign denotes a figure of less than 0.5.

Table G: Balance Sheet: All Authorised Institutions

(HK\$ bn)	HK\$	1994 Foreign Currency	Total	HK\$	1995 Foreign Currency	Total
<b>Assets</b>						
Loans to customers	1,119	2,145	3,265	1,237	2,501	3,739
Inside Hong Kong (a)	1,094	295	1,389	1,210	344	1,554
Outside Hong Kong	17	1,802	1,819	19	2,110	2,129
Others	9	47	56	9	47	56
Interbank lending	577	2,774	3,351	548	2,721	3,270
Inside Hong Kong	437	277	713	435	301	736
Outside Hong Kong	140	2,497	2,637	113	2,420	2,534
Negotiable certificates of deposit	37	22	59	57	44	101
Bank acceptances and bank bills of exchange	3	53	56	4	65	69
FRN and commercial paper	9	102	111	19	134	153
Securities and investments	164	158	322	125	188	313
Other assets	63	94	157	69	126	195
<b>Total assets</b>	<b>1,973</b>	<b>5,347</b>	<b>7,321</b>	<b>2,060</b>	<b>5,779</b>	<b>7,839</b>
<b>Liabilities</b>						
Deposits from customers (b)	1,016	929	1,946	1,172	1,055	2,226
Interbank borrowing	610	4,180	4,790	638	4,362	5,000
Inside Hong Kong	436	276	711	437	300	736
Outside Hong Kong	174	3,904	4,078	201	4,062	4,263
Negotiable certificates of deposit	64	36	100	92	40	132
Other liabilities	284	201	485	251	231	481
<b>Total liabilities</b>	<b>1,974</b>	<b>5,346</b>	<b>7,321</b>	<b>2,152</b>	<b>5,687</b>	<b>7,839</b>

(a) Includes trade financing loans but excludes loans to finance trade not touching Hong Kong.

(b) HK\$ customer deposits include swap deposits.

HK\$	1996 Foreign Currency	Total	HK\$	1997 Foreign Currency	Total	HK\$	1998 Foreign Currency	Total
1,448	2,467	3,915	1,742	2,379	4,122	<b>1,695</b>	<b>1,609</b>	<b>3,305</b>
1,413	389	1,802	1,701	508	2,210	<b>1,662</b>	<b>429</b>	<b>2,091</b>
24	2,028	2,052	30	1,813	1,844	<b>26</b>	<b>1,144</b>	<b>1,170</b>
10	50	61	11	57	68	<b>7</b>	<b>37</b>	<b>44</b>
664	2,324	2,988	712	2,368	3,081	<b>578</b>	<b>2,364</b>	<b>2,942</b>
487	283	770	517	254	771	<b>411</b>	<b>218</b>	<b>629</b>
177	2,041	2,218	195	2,114	2,310	<b>167</b>	<b>2,146</b>	<b>2,312</b>
90	51	141	122	50	173	<b>106</b>	<b>38</b>	<b>145</b>
5	85	90	4	98	102	<b>2</b>	<b>51</b>	<b>53</b>
24	164	188	26	166	192	<b>23</b>	<b>123</b>	<b>146</b>
176	171	348	233	187	419	<b>249</b>	<b>169</b>	<b>419</b>
96	141	237	95	214	309	<b>98</b>	<b>148</b>	<b>245</b>
2,503	5,403	7,907	2,934	5,463	8,397	<b>2,751</b>	<b>4,503</b>	<b>7,254</b>
1,400	1,058	2,458	1,538	1,127	2,664	<b>1,685</b>	<b>1,269</b>	<b>2,954</b>
722	3,983	4,705	811	3,942	4,753	<b>646</b>	<b>2,780</b>	<b>3,426</b>
487	281	768	521	251	772	<b>411</b>	<b>208</b>	<b>622</b>
235	3,702	3,936	290	3,691	3,981	<b>232</b>	<b>2,572</b>	<b>2,803</b>
131	49	180	172	48	220	<b>163</b>	<b>46</b>	<b>209</b>
307	257	564	400	359	760	<b>379</b>	<b>286</b>	<b>665</b>
2,560	5,347	7,907	2,921	5,476	8,397	<b>2,874</b>	<b>4,380</b>	<b>7,254</b>

Table H: Total Deposits from Customers by Type and Category of Authorised Institution

(HK\$ bn)	Demand	Licensed Banks Savings	Time	Restricted Licence Banks	Deposit- Taking Companies	Total
<b>HK Dollar</b> (includes swap deposits)						
1994	100	275	625	6	10	1,016
1995	100	301	755	8	8	1,172
1996	122	366	897	8	6	1,400
1997	108	336	1,078	9	6	1,538
1998	97	414	1,163	6	5	1,685
<b>Foreign Currency</b> (excludes swap deposits)						
1994	17	126	745	31	10	929
1995	19	139	856	30	11	1,055
1996	19	154	841	34	9	1,058
1997	20	155	901	43	8	1,127
1998	19	169	1,045	31	5	1,269
<b>Total</b>						
1994	118	401	1,370	37	20	1,946
1995	119	439	1,611	38	18	2,226
1996	141	521	1,738	43	16	2,458
1997	128	491	1,979	52	15	2,664
1998	116	583	2,208	36	10	2,954

Table I: Authorised Institutions: Domicile and Parentage

	1994	1995	1996	1997	1998
<b>Licensed Banks</b>					
(i) Incorporated in Hong Kong	32	31	31	31	31
(ii) Incorporated outside Hong Kong	148	154	151	149	141
<b>Total</b>	180	185	182	180	172
<b>Restricted Licence Banks</b>					
(i) Subsidiaries of licensed banks incorporated:					
(a) in Hong Kong	2	2	2	2	2
(b) outside Hong Kong	15	16	15	15	13
(ii) Subsidiaries or branches of foreign banks which are not licensed in Hong Kong	36	35	34	37	35
(iii) Bank related	7	7	8	9	9
(iv) Others	3	3	3	3	1
<b>Total</b>	63	63	62	66	60
<b>Deposit-Taking Companies</b>					
(i) Subsidiaries of licensed banks incorporated:					
(a) in Hong Kong	25	24	23	22	21
(b) outside Hong Kong	53	51	48	44	35
(ii) Subsidiaries of foreign banks which are not licensed in Hong Kong	33	33	32	32	28
(iii) Bank related	11	9	7	5	5
(iv) Others	15	15	14	12	12
<b>Total</b>	137	132	124	115	101
<b>All Authorised Institutions</b>	380	380	368	361	333
<b>Local Representative Offices</b>	156	157	157	159	141

Table J: Geographical Breakdown of Net External Claims/  
(Liabilities) of All Authorised Institutions

(HK\$ bn) Region / Country	1997			1998		
	Net Claims on/ (Liabilities to) Banks Outside HK	Net Claims on/ (Liabilities to) Non-bank Customers Outside HK	Total Net Claims/ (Liabilities)	Net Claims on/ (Liabilities to) Banks Outside HK	Net Claims on/ (Liabilities to) Non-bank Customers Outside HK	Total Net Claims/ (Liabilities)
<b>Asia &amp; Pacific</b>	(1,105)	1,655	550	(472)	953	481
Japan	(1,288)	1,517	229	(729)	899	170
Singapore	(41)	(25)	(66)	136	(31)	105
Australia	36	11	47	47	15	61
South Korea	54	53	107	23	28	52
Thailand	57	25	82	33	11	44
Mainland China	47	54	102	1	33	34
New Zealand	10	10	20	10	9	18
Taiwan	32	(15)	17	37	(20)	17
Indonesia	5	16	21	1	6	7
India	-	8	8	(2)	8	6
Vanuatu	(4)	(3)	(7)	4	(1)	3
Laos	-	-	1	-	-	-
Malaysia	(1)	3	2	(1)	1	-
Vietnam	1	-	1	-	-	-
Brunei	-	-	-	(1)	-	(1)
Nepal	(1)	-	(1)	(1)	-	(1)
Philippines	6	4	10	(6)	-	(5)
Macau	(15)	(4)	(19)	(22)	(5)	(27)
Others	(4)	-	(4)	(3)	(1)	(4)
<b>North America</b>	(16)	27	11	1	35	36
Canada	4	14	18	7	15	21
United States	(20)	13	(7)	(5)	20	15
<b>Caribbean</b>	(69)	(178)	(247)	(25)	(201)	(226)
Panama	(1)	18	17	-	15	15
Bermuda	(1)	5	4	-	6	6
Bahamas	14	-	15	(4)	-	(4)
Netherlands Antilles	-	(57)	(57)	-	(70)	(69)
Cayman Islands	(81)	(122)	(203)	(20)	(171)	(191)
Others	(2)	(21)	(23)	-	18	18
<b>Africa</b>	-	10	10	-	8	8
Liberia	-	11	11	-	8	8
Others	-	-	1	-	-	-
<b>Latin America</b>	1	1	2	1	-	1
Mexico	-	-	1	-	-	-
Others	1	1	2	1	-	-

Table J: Geographical Breakdown of Net External Claims/  
(Liabilities) of All Authorised Institutions (Cont.)

(HK\$ bn) Region / Country	1997			1998		
	Net Claims on/ (Liabilities to) Banks Outside HK	Net Claims on/ (Liabilities to) Non-bank Customers Outside HK	Total Net Claims/ (Liabilities)	Net Claims on/ (Liabilities to) Banks Outside HK	Net Claims on/ (Liabilities to) Non-bank Customers Outside HK	Total Net Claims/ (Liabilities)
<b>Eastern Europe</b>	-	-	-	-	-	-
<b>Western Europe</b>	(276)	(15)	(291)	<b>129</b>	<b>(27)</b>	<b>102</b>
United Kingdom	(105)	(9)	(114)	<b>98</b>	<b>(9)</b>	<b>89</b>
Germany	(30)	12	(18)	<b>2</b>	<b>20</b>	<b>22</b>
Italy	1	7	8	<b>8</b>	<b>5</b>	<b>13</b>
France	(65)	5	(60)	<b>6</b>	<b>3</b>	<b>9</b>
Sweden	-	4	3	<b>3</b>	<b>2</b>	<b>5</b>
Switzerland	4	(1)	3	<b>5</b>	<b>(1)</b>	<b>4</b>
Belgium	(47)	3	(44)	-	<b>4</b>	<b>3</b>
Spain	(2)	1	(1)	<b>3</b>	<b>1</b>	<b>3</b>
Norway	-	1	2	<b>1</b>	<b>1</b>	<b>2</b>
Denmark	(3)	2	(2)	<b>1</b>	<b>1</b>	<b>2</b>
Malta	-	1	1	-	<b>1</b>	<b>1</b>
Greece	-	-	-	<b>1</b>	-	<b>1</b>
Turkey	1	1	1	-	-	<b>1</b>
Republic of Ireland	(3)	1	(2)	-	-	-
Finland	-	1	1	-	-	-
Austria	(9)	-	(8)	<b>(3)</b>	-	<b>(3)</b>
Luxembourg	(25)	-	(25)	<b>(8)</b>	-	<b>(8)</b>
Netherlands	10	(46)	(36)	<b>15</b>	<b>(55)</b>	<b>(39)</b>
Others	(2)	3	-	<b>(2)</b>	<b>(1)</b>	<b>(3)</b>
<b>Middle East</b>	(15)	(2)	(17)	<b>(9)</b>	<b>(1)</b>	<b>(11)</b>
Saudi Arabia	(3)	-	(3)	-	-	-
Kuwait	(1)	-	(1)	-	-	-
Iran	(1)	-	(1)	-	-	-
Bahrain	(2)	(1)	(3)	<b>(2)</b>	<b>(1)</b>	<b>(3)</b>
United Arab Emirates	(8)	(1)	(9)	<b>(6)</b>	<b>(1)</b>	<b>(7)</b>
Others	(1)	-	(1)	<b>(1)</b>	-	-
<b>Others</b>	-	6	6	-	<b>27</b>	<b>27</b>
<b>Overall Total</b>	(1,480)	1,506	26	<b>(376)</b>	<b>793</b>	<b>417</b>

Table K: Assets by Country/Region of Beneficial Ownership of Authorised Institution

(HK\$ bn)		Country/Region of Ownership					Total
		Mainland China	Japan	US	Europe	Others	
1994	HK\$	453	265	129	322	805	1,973
	Foreign Currency	258	3,642	211	597	639	5,347
	<b>Total</b>	<b>711</b>	<b>3,906</b>	<b>340</b>	<b>919</b>	<b>1,444</b>	<b>7,321</b>
1995	HK\$	484	258	125	312	881	2,060
	Foreign Currency	292	3,713	267	727	781	5,779
	<b>Total</b>	<b>776</b>	<b>3,971</b>	<b>392</b>	<b>1,039</b>	<b>1,662</b>	<b>7,839</b>
1996	HK\$	582	286	148	395	1,092	2,503
	Foreign Currency	288	3,229	274	771	841	5,403
	<b>Total</b>	<b>870</b>	<b>3,516</b>	<b>422</b>	<b>1,166</b>	<b>1,933</b>	<b>7,907</b>
1997	HK\$	672	298	186	480	1,298	2,934
	Foreign Currency	284	3,003	338	946	892	5,463
	<b>Total</b>	<b>957</b>	<b>3,301</b>	<b>524</b>	<b>1,425</b>	<b>2,190</b>	<b>8,397</b>
1998	HK\$	680	219	183	460	1,209	2,751
	Foreign Currency	324	2,011	333	872	963	4,503
	<b>Total</b>	<b>1,004</b>	<b>2,230</b>	<b>516</b>	<b>1,331</b>	<b>2,172</b>	<b>7,254</b>



Table L: Deposits from Customers<sup>(a)</sup> by Country/Region of Beneficial Ownership of Authorised Institution

(HK\$ bn)		Country/Region of Ownership					Total
		Mainland China	Japan	US	Europe	Others	
1994	HK\$	287	45	40	104	541	1,016
	Foreign Currency	163	238	80	137	312	929
	<b>Total</b>	<b>450</b>	<b>283</b>	<b>120</b>	<b>241</b>	<b>853</b>	<b>1,946</b>
1995	HK\$	331	47	46	129	618	1,172
	Foreign Currency	177	314	85	136	343	1,055
	<b>Total</b>	<b>508</b>	<b>361</b>	<b>131</b>	<b>266</b>	<b>961</b>	<b>2,226</b>
1996	HK\$	399	49	51	148	753	1,400
	Foreign Currency	165	331	87	126	350	1,058
	<b>Total</b>	<b>563</b>	<b>380</b>	<b>138</b>	<b>274</b>	<b>1,103</b>	<b>2,458</b>
1997	HK\$	431	48	56	177	825	1,538
	Foreign Currency	160	361	98	138	371	1,127
	<b>Total</b>	<b>591</b>	<b>409</b>	<b>154</b>	<b>314</b>	<b>1,196</b>	<b>2,664</b>
1998	HK\$	502	49	72	182	880	1,685
	Foreign Currency	179	382	122	138	448	1,269
	<b>Total</b>	<b>681</b>	<b>430</b>	<b>194</b>	<b>321</b>	<b>1,329</b>	<b>2,954</b>

(a) HK\$ customer deposits include swap deposits.

**Table M: Loans and Advances to Customers by Country/Region of Beneficial Ownership of Authorised Institution**

(HK\$ bn)		Country/Region of Ownership					Total
		Mainland China	Japan	US	Europe	Others	
1994	HK\$	204	185	83	173	474	1,119
	Foreign Currency	56	1,785	41	134	128	2,145
	<b>Total</b>	<b>260</b>	<b>1,971</b>	<b>125</b>	<b>307</b>	<b>602</b>	<b>3,265</b>
1995	HK\$	242	191	90	186	529	1,237
	Foreign Currency	64	2,071	48	164	155	2,501
	<b>Total</b>	<b>306</b>	<b>2,262</b>	<b>138</b>	<b>349</b>	<b>684</b>	<b>3,739</b>
1996	HK\$	284	203	105	224	633	1,448
	Foreign Currency	70	1,975	60	187	175	2,467
	<b>Total</b>	<b>354</b>	<b>2,177</b>	<b>165</b>	<b>411</b>	<b>807</b>	<b>3,915</b>
1997	HK\$	361	203	123	276	780	1,742
	Foreign Currency	75	1,750	74	248	232	2,379
	<b>Total</b>	<b>436</b>	<b>1,954</b>	<b>197</b>	<b>523</b>	<b>1,012</b>	<b>4,122</b>
1998	HK\$	353	163	132	284	762	1,695
	Foreign Currency	80	1,090	59	200	181	1,609
	<b>Total</b>	<b>433</b>	<b>1,254</b>	<b>191</b>	<b>484</b>	<b>943</b>	<b>3,305</b>

Table N: Total Loans for Use in Hong Kong<sup>(a)</sup> by Country/Region of Beneficial Ownership of Authorised Institution

(HK\$ bn)		Country/Region of Ownership					Total
		Mainland China	Japan	US	Europe	Others	
1994	HK\$	197	181	83	165	468	1,094
	Foreign Currency	28	111	26	62	68	295
	<b>Total</b>	<b>225</b>	<b>292</b>	<b>109</b>	<b>228</b>	<b>536</b>	<b>1,389</b>
1995	HK\$	232	188	89	180	522	1,210
	Foreign Currency	35	109	30	81	89	344
	<b>Total</b>	<b>267</b>	<b>297</b>	<b>119</b>	<b>260</b>	<b>611</b>	<b>1,554</b>
1996	HK\$	272	198	104	214	625	1,413
	Foreign Currency	40	105	39	95	110	389
	<b>Total</b>	<b>313</b>	<b>303</b>	<b>143</b>	<b>309</b>	<b>735</b>	<b>1,802</b>
1997	HK\$	348	197	121	264	771	1,701
	Foreign Currency	44	118	49	134	163	508
	<b>Total</b>	<b>393</b>	<b>315</b>	<b>169</b>	<b>398</b>	<b>934</b>	<b>2,210</b>
1998	HK\$	341	159	130	277	755	1,662
	Foreign Currency	51	97	41	107	132	429
	<b>Total</b>	<b>392</b>	<b>256</b>	<b>171</b>	<b>383</b>	<b>888</b>	<b>2,091</b>

(a) Includes trade financing loans but excludes loans to finance trade not touching Hong Kong

Table O: Other Loans for Use Outside Hong Kong by Country/Region of Beneficial Ownership of Authorised Institution

(HK\$ bn)		Country/Region of Ownership					Total
		Mainland China	Japan	US	Europe	Others	
1994	HK\$	4	4	1	4	4	17
	Foreign Currency	21	1,646	13	66	56	1,802
	<b>Total</b>	<b>26</b>	<b>1,649</b>	<b>14</b>	<b>70</b>	<b>60</b>	<b>1,819</b>
1995	HK\$	7	2	1	3	5	19
	Foreign Currency	22	1,936	16	75	61	2,110
	<b>Total</b>	<b>30</b>	<b>1,938</b>	<b>18</b>	<b>78</b>	<b>65</b>	<b>2,129</b>
1996	HK\$	8	4	1	6	5	24
	Foreign Currency	23	1,845	18	84	58	2,028
	<b>Total</b>	<b>31</b>	<b>1,849</b>	<b>19</b>	<b>90</b>	<b>63</b>	<b>2,052</b>
1997	HK\$	9	6	2	7	7	30
	Foreign Currency	24	1,606	19	102	63	1,813
	<b>Total</b>	<b>33</b>	<b>1,612</b>	<b>21</b>	<b>109</b>	<b>69</b>	<b>1,844</b>
1998	HK\$	10	4	2	5	6	26
	Foreign Currency	23	979	12	87	43	1,144
	<b>Total</b>	<b>33</b>	<b>983</b>	<b>14</b>	<b>91</b>	<b>48</b>	<b>1,170</b>

Table P: Total Loans for Use in Hong Kong by Economic Sector

(HK\$ bn)	1994		1995		1996		1997		1998	
	HK\$	%	HK\$	%	HK\$	%	HK\$	%	HK\$	%
<b>Sector</b>										
Hong Kong's visible trade	131	9	156	10	165	9	172	8	<b>133</b>	<b>6</b>
Manufacturing	86	6	100	6	108	6	111	5	<b>94</b>	<b>5</b>
Transport & transport equipment	72	5	69	4	83	5	96	4	<b>106</b>	<b>5</b>
Building, construction & property development and investment	249	18	262	17	333	18	440	20	<b>419</b>	<b>20</b>
Wholesale and retail trade	137	10	166	11	176	10	206	9	<b>178</b>	<b>9</b>
Financial concerns (other than authorised institutions)	161	12	176	11	207	12	260	12	<b>230</b>	<b>11</b>
Individuals:										
to purchase flats in the Home Ownership Scheme and Private Sector Participation Scheme	40	3	47	3	51	3	60	3	<b>74</b>	<b>4</b>
to purchase other residential property	259	19	302	19	371	21	480	22	<b>516</b>	<b>25</b>
other purposes	106	8	112	7	127	7	154	7	<b>144</b>	<b>7</b>
Others	149	11	163	10	181	10	230	10	<b>196</b>	<b>9</b>
<b>Total (a)</b>	<b>1,389</b>	<b>100</b>	<b>1,554</b>	<b>100</b>	<b>1,802</b>	<b>100</b>	<b>2,210</b>	<b>100</b>	<b>2,089</b>	<b>100</b>

(a) Includes trade financing loans but excludes loans to finance trade not touching Hong Kong.

## Abbreviations used in this Report

APEC	- Asia-Pacific Economic Co-operation	HLI	- Highly leveraged institution
BIS	- Bank for International Settlements	HSBC	- The Hongkong and Shanghai Banking Corporation Limited
bn	- billion	IMF	- International Monetary Fund
bp	- basis point(s)	IPOs	- Initial public offerings
BPG	- Best Practice Guide	IRR	- Interest Rate Rules
CCASS	- Central Clearing and Settlement System	IT	- Information Technology
CCPI	- Composite Consumer Price Index	ITAA	- Information Technology Association of America
CHATS	- Clearing House Automated Transfer System	ITIC	- International Trust and Investment Company
CMU	- Central Moneymarkets Unit	JETCO	- Joint Electronic Teller Company Limited
CSD	- Central Securities Depository	LVR	- Loan-to-value Ratio
DEM	- Deutschmark	MTRC	- Mass Transit Railway Corporation
DTC	- Deposit-Taking Companies	mn	- million
DvP	- Delivery versus Payment	NCD	- Negotiable certificate of deposit
EC	- European Council	OECD	- Organisation for Economic Co-operation and Development
ECU	- European Currency Unit	OTC	- Over-the-Counter
EERI	- Effective Exchange Rate Index	PBoC	- People's Bank of China
EFAC	- Exchange Fund Advisory Committee	PvP	- Payment versus Payment
EFIL	- Exchange Fund Investment Limited	RBNZ	- Reserve Bank of New Zealand
EMEAP	- Executives' Meeting of East Asia and Pacific Central Banks	RBO	- Prevention of Bribery Ordinance
FATF	- Financial Action Task Force	ROA	- Return on assets
GDP	- Gross Domestic Product (in real terms unless otherwise stated)	RMB	- Renminbi
GITIC	- Guangdong International Trust and Investment Corporation	RTGS	- Real Time Gross Settlement
HIBOR	- Hong Kong Interbank Offer Rate	SAR	- Special Administrative Region
HK	- Hong Kong	SDDS	- Special Data Dissemination Standards
HKAB	- Hong Kong Association of Banks	SEACEN	- The South East Asian Central Banks
HKICL	- Hong Kong Interbank Clearing Limited	SFC	- Securities and Futures Commission
HKMA	- Hong Kong Monetary Authority	STET	- Submission Through Electronic Transmission
HKMC	- Hong Kong Mortgage Corporation Limited	UK	- United Kingdom
HKSAR	- Hong Kong Special Administrative Region	US	- United States of America



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