

## CHRONOLOGY OF EVENTS (AUGUST - OCTOBER 2001)

7 August 2001	The HKMA announces that the official foreign currency reserves of Hong Kong amounted to US\$114.6 billion at the end of July 2001.
14 August 2001	The HKMA releases key data on the balance sheet of the Exchange Fund in accordance with International Monetary Fund's (IMF) Special Data Dissemination Standard (SDDS). At the end of July 2001, foreign assets amounted to HK\$858.0 billion. The Monetary Base amounted to HK\$219.8 billion and claims on the private sector in Hong Kong amounted to HK\$43.7 billion.
20 August 2001	The Hong Kong Mortgage Corporation Limited (HKMC) announces the launch of 3-year notes of HK\$500 million under its HK\$20 billion Note Issuance Programme. The new issue will carry a coupon of 4.28% (payable semi-annually).
27 August 2001	The HKMA publishes the Abridged Exchange Fund Balance Sheet and Currency Board Account as at 31 July 2001. At the end of July 2001, the total assets of the Exchange Fund amounted to HK\$1,024.1 billion. The Monetary Base amounted to HK\$219.8 billion.
31 August 2001	The HKMA announces that agreement has been reached with the Guangzhou Branch of the People's Bank of China on extending the types of bills to be cleared under the joint operations of Hong Kong dollar bill clearing between Guangdong/Hong Kong and Shenzhen/Hong Kong to include Hong Kong dollar cashier's orders and demand drafts as well. Through the facilities, clearing and settling of Hong Kong dollar bills presented in Guangdong or Shenzhen will take two working days only.
5 September 2001	The HKMC jointly holds a signing ceremony with American Express Bank to mark the issuance of a HK\$633 million mortgage-backed securities issue under the HKMC's Guaranteed Mortgage-Backed Pass-Through Securitisation Programme.
7 September 2001	The HKMA releases a discussion paper on funding and premium assessment for the Deposit Insurance Scheme (DIS) to seek views from the industry on the funding arrangements for the scheme. The discussion paper contains suggestions about how the appropriate size of the DIS fund might be set, how it could be built up and maintained and how premium could be assessed for individual banks.
7 September 2001	The HKMA announces that the official foreign currency reserves of Hong Kong amounted to US\$113.7 billion at the end of August 2001.

12 September 2001	The HKMA announces that the Hong Kong dollar and US dollar RTGS systems and other clearing and payment systems in Hong Kong will be open for business as usual on 12 September. It is understood that, notwithstanding the devastating events in the USA overnight, the principal US payment and settlement systems continued to function and concluded the day's business (for 11 September) in the normal manner.
12 September 2001	The Financial Services Bureau announces that consensus was reached at a high-level roundtable discussion on how to address the community's concern over the issue of consumer debt and bankruptcy. Some immediate measures will be implemented with longer term measures to be further considered. Participants included representatives from the HKMA, the Hong Kong Association of Banks, the Deposit Taking Companies Association, the Financial Services Bureau, the Official Receiver's Office, Police and Office of the Privacy Commissioner for Personal Data.
14 September 2001	The HKMA releases key data on the balance sheet of the Exchange Fund in accordance with the IMF's SDDS. At the end of August 2001, foreign assets amounted to HK\$854.3 billion. The Monetary Base amounted to HK\$221.8 billion and claims on the private sector in Hong Kong amounted HK\$41.7 billion.
14 September 2001	The HKMA advises State Street Global Advisors Asia Limited, the Manager of TraHK, that the maximum number of units for which Hang Seng Index Shares will be made available under the Tap Facility for the period from 1 October 2001 to 31 December 2001 will be 100 million units.
28 September 2001	The HKMA publishes the Abridged Exchange Fund Balance Sheet and Currency Board Account as at 31 August 2001. At the end of August 2001, total assets of the Exchange Fund amounted to HK\$1,000.4 billion. The Monetary Base amounted to HK\$221.8 billion.
8 October 2001	The HKMA announces that the official foreign currency reserves of Hong Kong amounted to US\$113.4 billion at the end of September 2001.
9 October 2001	The HKMA announces the results of the triennial survey of foreign exchange and derivatives market turnover in Hong Kong. The survey was co-ordinated by the Bank for International Settlements. Net daily turnover of foreign exchange transactions dropped by 14.9% to US\$66.8 billion as a result of a 38.8% decline in spot transactions to US\$19.0 billion. Net turnover of forward transactions (outright forwards and foreign exchange swaps), increased by 0.6% to US\$47.9 billion.

10 October 2001	The HKMA issues a letter to all authorized institutions (AIs) stating that it would not object if AIs, should they judge it commercially desirable, were to depart from the 70% guideline in refinancing residential mortgage loans for homeowners in negative equity.
15 October 2001	The HKMA releases key data on the balance sheet of the Exchange Fund in accordance with IMF's SDDS. At the end of September 2001, foreign assets amounted to HK\$853.1 billion. The Monetary Base amounted to HK\$228.4 billion and claims on the private sector in Hong Kong amounted to HK\$38.0 billion.
16 October 2001	The HKMA estimates that, on the basis of information obtained from an ad-hoc survey of a sample of banks it conducted, the total number of bank customers whose loans are in negative equity (i.e. whose outstanding loan exceeds the current market value of their property) may be around 65,000, or 14% of total mortgage borrowers. The total value of mortgage loans in negative equity may be around HK\$127 billion, or 23% of total outstanding mortgage loans.
19 October 2001	The HKMA announces its plans to launch in 2002 the Five Blessings Commemorative Coins on behalf of the Hong Kong Special Administrative Region. The set comprises five silver coins together with a gold medallion. The last silver coin was issued in 1933.
22 October 2001	The HKMC announces the launch of the debut issue under a new mechanism that enables retail investors to subscribe for the bonds through banks that are appointed by the HKMC as its placing agents. The HKMC signs the placing bank agreement with Dao Heng Bank, HSBC and Hang Seng Bank at the signing ceremony.
26 October 2001	The HKMA publishes the Abridged Exchange Fund Balance Sheet and Currency Board Account as at 30 September 2001. At the end of September 2001, total assets of the Exchange Fund amounted to HK\$992.2 billion. The Monetary Base amounted to HK\$228.4 billion.
29 October 2001	The HKMA completes a comprehensive review of retail payment services in Hong Kong, which was conducted by an internal task force of the HKMA set up in August 2000. The review concludes that Hong Kong's retail payment systems generally function well. They are considered to be efficient and effective, and there exists a wide range of payment instruments. The payment system providers are generally innovative.