

## CHRONOLOGY OF EVENTS (MAY 1999 – JULY 1999)

3 May 1999	The Hong Kong Monetary Authority (HKMA) publishes the Annual Report for 1998. The Report explains the HKMA's work and achievements over the past year and sets out the objectives for the year ahead.
6 May 1999	The HKMA announces the results of its second survey on authorised institutions' exposures to non-bank Chinese entities as at end-December 1998. The first survey was conducted in October 1998 for institutions' exposures outstanding as at 30 September 1998.
7 May 1999	<p>The HKMA releases a summary of the comments received during the three-month consultation period on the recommendations arising from the Hong Kong Banking Sector Consultancy Study.</p> <p>The HKMA announces that the official foreign currency assets of Hong Kong amounted to US\$89.5 billion at the end of April 1999, unchanged from the end-March position. Hong Kong remains the world's fourth largest holder of foreign currency reserves.</p>
11 May 1999	The 1998 Annual Report of the Hong Kong Mortgage Corporation (HKMC) is published.
14 May 1999	<p>The HKMA publishes data on the balance sheet of the Exchange Fund, in accordance with the International Monetary Fund's Special Data Dissemination Standards (SDDS). At the end of April, the Monetary Base amounted to HK\$198,356 million. The Exchange Fund's claims on the private sector in HK amounted to HK\$60,145 million. Foreign assets of the Exchange Fund amounted to \$656,843 million (excluding foreign currency deposits placed with banks in HK) and foreign liabilities of the Exchange Fund amounted to HK\$20 million.</p> <p>The HKMA issues a Guidance Note on Year 2000 Contingency Planning to all AIs which provide specific suggestions to AIs on Year 2000 testing with external parties and some system considerations for the Year 2000 contingency planning process of the AIs. This is the second of a series of guidance notes on specific areas of Year 2000 contingency planning.</p>
20 May 1999	The HKMC announces the progress of the Mortgage Insurance Programme which has been well received by Approved Sellers and homebuyers since its commencement on 31 March. In addition, improvements to the Mortgage Purchase Programme was approved by the board of directors to provide greater flexibility. They include adjustments in the floating rate mortgages, additional choices on fixed rate mortgages and new products.

28 May 1999	<p>The HKMA publishes the Abridged Exchange Fund Balance Sheet and Currency Board Account as at 30 April 1999. At end-April 1999, total assets of the Exchange Fund amounted to HK\$955.7 billion. Both foreign currency assets and Hong Kong dollar assets increased, by HK\$0.9 billion and HK\$27.8 billion respectively. The Monetary Base amounted to HK\$198.3 billion.</p> <p>The HKMA, after consulting with the two industry associations, has refined the loan classification framework and amended the Quarterly Analysis of Loans and Advances and Provisions.</p>
31 May 1999	<p>The HKMA publishes the Guide to Hong Kong Monetary and Banking Terms. The Guide provides brief definitions, in English and Chinese, of terms relevant to Hong Kong's monetary and banking system.</p> <p>The record of the meeting of the EFAC Sub-Committee on Currency Board Operations carrying the report on currency board operations covering the period from 29 March - 28 April is released.</p>
1 June 1999	<p>The HKMC announces that the company has signed the Master Mortgage Reinsurance Policy with Asia Insurance Limited. Together with PMI Mortgage Insurance Co. and Hang Seng Insurance, the HKMC has appointed three Approved Reinsurers to provide reinsurance for the Mortgage Insurance Programme. The HKMC also buys fixed rate mortgages with fixed terms of 1 year and 2 years in addition to 3-year tenor currently available under the Fixed Rate Mortgage Programme.</p>
7 June 1999	<p>The HKMA announces that the official foreign currency assets of Hong Kong amounted to US\$88.9 billion at the end of May 1999, making Hong Kong the fifth largest holder of foreign currency reserves in the world.</p>
14 June 1999	<p>The HKMA publishes data on the balance sheet of the Exchange Fund, in accordance with the International Monetary Fund's Special Data Dissemination Standards (SDDS). At the end of May, the Monetary Base amounted to HK\$197,281 million. The Exchange Fund's claims on the private sector in HK amounted to HK\$57,826 million. Foreign assets of the Exchange fund amounted to \$652,107 million (excluding foreign currency deposits placed with banks in HK) and foreign liabilities of the Exchange Fund amounted to HK\$8 million..</p> <p>The HKMA grants banking licence to the Chinatrust Commercial Bank Limited making the total number of banks in Hong Kong to 166.</p>
21 June 1999	<p>The Board of Directors of the Exchange Fund Investment Limited (EFIL) holds a meeting to consider the recommendations presented by the three financial advisers on the optimal disposal strategy. The Board also consider the appointment of external managers to assist EFIL in the management of the Exchange Fund's long term Hong Kong equity investment portfolio.</p>

24 June 1999	The HKMC signs the Master Mortgage Reinsurance Policy with American International Assurance Company Limited. Together with PMI Mortgage Insurance Co., Hang Seng Insurance Company Limited and Asia Insurance Company Limited, the HKMC has appointed four Approved Reinsurers to provide reinsurance for the Mortgage Insurance Programme.
25 June 1999	The HKMA issued in May 1999 a consultation paper on “Interim Financial Disclosure by Authorised Institutions Incorporated in Hong Kong.” Taking into account the comments received and following extensive consultations with the Working Party on Financial Disclosure and the Joint Technical working group, the HKMA informs all locally incorporated authorised institutions that it has finalised the Interim Financial Disclosure Package.
28 June 1999	The HKMA announces that the total assets of the Exchange Fund amounted to HK\$927.6 billion as at 31 May 1999. Both foreign currency assets and Hong Kong dollar assets decreased, by HK\$5.6 billion and HK\$22.5 billion respectively. The Monetary Base at end-May 1999 was HK\$197.3 billion, a decrease of HK\$1.0 billion from end-April 1999.
30 June 1999	The HKMA informs all AIs that it has formulated a Policy Statement that seeks to address the uncertainty in the market on the HKMA’s role as the lender of last resort by reaffirming the HKMA’s status as the official lender of last resort. It also clarifies the extent to which authorised institutions in Hong Kong can expect lender of last resort support to be given by the HKMA.
2 July 1999	The HKMA announces the results of its quarterly survey on authorised institutions’ exposures to non-bank Chinese entities as at end-March 1999.
5 July 1999	The HKMA and the Hong Kong Association of Banks jointly publishes a leaflet on Hong Kong’s Banking System and the Year 2000. The leaflet seeks to inform the general public about the progress made by banks in Hong Kong in addressing the Year 2000 problem. It also provides answers to some frequently asked questions.
7 July 1999	The HKMA announces that the official foreign currency assets of Hong Kong amounted to US\$88.6 billion at the end of June 1999, making Hong Kong the fifth largest holder of foreign currency reserves in the world.

8 July 1999	<p>The third HKMA Distinguished Lecture takes place and the subject is “Risks and Challenges of the International Financial Scene”. The keynote speaker is Mr Jean-Claude Trichet, Governor of the Banque de France. Dr Donald Brash, Governor of the Reserve Bank of New Zealand, is the Discussant. The aim of the lecture is to provide a forum for the local financial community to hear and exchange views with influential figures from the international financial community.</p>
9 July 1999	<p>The Fourth Executives’ Meeting of East Asia-Pacific Central Banks (EMEAP) is held in Hong Kong. The meeting is chaired by Mr. Joseph Yam, Chief Executive of the HKMA.</p>
14 July 1999	<p>The HKMA publishes data on the balance sheet of the Exchange Fund, in accordance with the International Monetary Fund’s Special Data Dissemination Standards (SDDS). At the end of June, the Monetary Base amounted to HK\$196,479 million. The Exchange Fund’s claims on the private sector in HK amounted to HK\$62,106 million. Foreign assets of the Exchange Fund amounted to \$645,393 million (excluding foreign currency deposits placed with banks in HK) and foreign liabilities of the Exchange Fund amounted to HK\$35 million.</p> <p>The HKMA publishes its policy response to the recommendations of the Banking Sector Consultancy Study. A booklet containing the full details of the package of policy initiatives is available for download from the HKMA’s website at <a href="http://www.info.gov.hk/hkma">http://www.info.gov.hk/hkma</a>.</p>
19 July 1999	<p>The HKMA signs a Listing Agreement for Exchange Fund Notes (EFNs) with the Stock Exchange of Hong Kong (SEHK). The HKMA also signs an agreement with Hong Kong Securities Clearing Company Limited (HKSCC) to admit EFNs as eligible securities in the Central Clearing and Settlement System.</p>
21 July 1999	<p>The HKMC announces the Half-year financial results today. The Board of Directors has also given its approval in principle for the Corporation to launch mortgage-backed securities (MBS) under a pilot scheme.</p>
22 July 1999	<p>The HKMA informs all AIs, representative offices and money brokers of the enactment of the Banking (Amendment) Ordinance 1999 (“BAO”) and sets out the main provisions of the Ordinance for their reference.</p>
26 July 1999	<p>The record of the meeting of the EFAC Sub-Committee on Currency Board Operations carrying the report on currency board operations covering the period from 1 - 23 June 1999 is released.</p> <p>The HKMA issues a Guidance Note on Year 2000 Contingency Planning to all AIs which provides specific suggestions to AIs on the establishment of an Event Management Centre by the AIs for the purpose of managing the smooth rollover to Y2K critical dates.</p>

28 July 1999

The HKMA announces the unaudited consolidated balance sheet of the Exchange Fund as at the end of June 1999. In the first half of 1999, total assets rose by 4.3% from HK\$921.4 billion at the end of December 1998 to HK\$961.1 billion at the end of June 1999. The HKMA also publishes figures released on a monthly basis in the Exchange Fund Abridged Balance Sheet and Currency Board Account for end-June. Total assets of the Exchange Fund increased by HK\$25.4 billion in the month of June. Both foreign currency assets and Hong Kong dollar assets increased, by HK\$4.7 billion and HK\$20.7 billion respectively. The Monetary Base at end-June was HK\$196.5 billion, a decrease of HK\$0.8 billion from end-May 1999.