



HONG KONG MONETARY AUTHORITY  
香港金融管理局

Annual Report 1998



# The Hong Kong Monetary Authority

The Hong Kong Monetary Authority (HKMA) is the government authority in Hong Kong responsible for maintaining monetary and banking stability. The HKMA was established on 1 April 1993 by merging the Office of the Exchange Fund with the Office of the Commissioner of Banking. The HKMA's policy objectives are:

- to maintain currency stability, within the framework of the linked exchange rate system, through sound management of the Exchange Fund, monetary policy operations and other means deemed necessary;
- to promote the safety and stability of the banking system through the regulation of banking business and the business of taking deposits, and the supervision of authorised institutions; and
- to enhance the efficiency, integrity and development of the financial system, particularly payment and settlement arrangements.

## Contents

2	Chief Executive's Statement
12	Advisory Committees
16	The Chief Executive's Committee
18	Economic and Banking Environment
34	Monetary Stability
42	Banking Stability
62	Market Infrastructure
68	International Financial Centre
74	Reserves Management
82	The Exchange Fund
100	The Land Fund
108	The HKMA in the Community
114	Administration
120	Calendar of Events 1998
129	Annex and Tables
158	Abbreviations used in this Report

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