

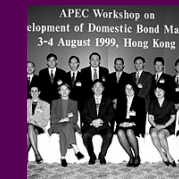
Highlights of 1999

Economic and Banking Environment



Hong Kong moves out of the recession in the second quarter of the year. The asset quality of banks improves in the final quarter.

International Financial Centre



The HKMA leads the APEC Collaborative Initiative on Development of Domestic Bond Markets.

The HKMA represents Hong Kong in the Financial Stability Forum in September.

Monetary Stability



Further transparency arrangements include monthly publication of the Currency Board Account from March.

The Hong Kong Institute for Monetary Research opens in August.

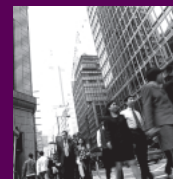
Reserves Management



The Tracker Fund of Hong Kong is launched in November.

The accumulated surplus of the Exchange Fund grew by 20% during the year.

Banking Stability



A blueprint for banking sector reform, aimed at removing barriers to competition and enhancing safety, is announced in July.

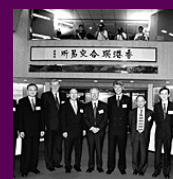
The HKMA in the Community



The HKMA Resource Centre opens in January.

A Guide to Hong Kong Monetary and Banking Terms is published in May.

Market Infrastructure



Exchange Fund Notes are listed on the Stock Exchange in August.

The Year 2000 Issue



Full Year 2000 compliance is achieved by the whole of Hong Kong's banking sector by June 1999.

Hong Kong's financial sector passes smoothly into the new millennium.

Administration



Conversion of Land Fund Office Staff to HKMA terms is completed in July.