

## CHRONOLOGY OF EVENTS (NOVEMBER 2001 - JANUARY 2002)

1 November 2001	The HKMA issues a press release reminding the general public of the transitional arrangements for the currencies of the twelve euro area countries to the single euro.
1 November 2001	The Hong Kong Mortgage Corporation Limited (HKMC) announces that its retail Notes have been over-subscribed. The total application amount reached a new record of HK\$651.4 million, which is 5.5 times above the total minimum issue amount of \$100 million set by the Corporation.
2 November 2001	The HKMC announces an expansion of its Mortgage Insurance Programme to increase the loan size ceiling for mortgages covered under the Programme from HK\$5 million to HK\$8 million.
7 November 2001	The HKMA announces that the official foreign currency reserves of Hong Kong amounted to US\$113.1 billion at the end of October 2001.
12 November 2001	Exchange Fund Investment Limited announces that the second and final tranche of Loyalty Bonus Units in the Tracker Fund of Hong Kong (TraHK) have been allocated to 127,813 Unitholders.
14 November 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 October 2001, foreign assets amounted to HK\$845.8 billion. The Monetary Base amounted to HK\$225.7 billion and claims on the private sector in Hong Kong amounted to HK\$44.5 billion.
15 November 2001	The HKMA, jointly with the Hong Kong Association of Banks and the DTC Association, announces the launch of the revised Code of Banking Practice. Revisions to the Code aim at strengthening its provisions and keeping up to date with the latest developments of the banking industry.
30 November 2001	The HKMA removes the three-building condition attached to the licences of overseas-incorporated banks authorized in and after 1978 and overseas-incorporated restricted licence banks authorized in and after 1990. There will be no restriction on the number of branches that these institutions may maintain.
30 November 2001	The HKMA publishes the Abridged Exchange Fund Balance Sheet and Currency Board Account as at 31 October 2001. At the end of October 2001, the total assets of the Exchange Fund amounted to HK\$985.9 billion. The Monetary Base amounted to HK\$225.7 billion.

7 December 2001	The HKMA announces that the official foreign currency reserves of Hong Kong amounted to US\$112.3 billion at the end of November 2001.
11 December 2001	The HKMA releases a paper on the review of the market entry criteria for the banking sector and the three-tier authorization regime for consultation with the industry associations. Major proposals of the review include removal of the US\$16 billion asset size criterion applicable to overseas-incorporated banks wishing to set up a branch in Hong Kong, and the relaxation of the current criteria for locally incorporated Restricted Licence Banks and Deposit-taking Companies to upgrade to full licensed bank status.
13 December 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 January 2002 to 31 March 2002 will be 260 million units.
14 December 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 November 2001, foreign assets amounted to HK\$836.5 billion. The Monetary Base amounted to HK\$225.8 billion and claims on the private sector in Hong Kong amounted HK\$61.9 billion.
17 December 2001	The HKMA and Euroclear announce their agreement to develop a direct link between the HKMA's Central Moneymarkets Unit (CMU) and the Brussels-based international central securities depository. Scheduled to go live by the end of 2002, this fully-automated real-time link will enable investors in Hong Kong and other parts of Asia to directly hold and settle Euroclear-eligible debt securities via their CMU accounts.
19 December 2001	The HKMC announces the launch of Bauhinia MBS Limited US\$3 billion Mortgage-Backed Securitisation Programme, a multi-currency, conventional bond style securitisation programme.
20 December 2001	The HKMC announces modifications to its Mortgage Purchasing Criteria to include mortgage loans refinanced at loan-to-value ratio greater than 70% and up to 100%, and to extend the maximum combined age of property and loan tenor from 40 years to 50 years.
28 December 2001	The HKMA publishes the Abridged Exchange Fund Balance Sheet and Currency Board Account as at 30 November 2001. At the end of November 2001, total assets of the Exchange Fund amounted to HK\$1,003.5 billion. The Monetary Base amounted to HK\$225.8 billion.

7 January 2002	The HKMA announces that the official foreign currency reserves of Hong Kong amounted to US\$111.2 billion at the end of December 2001.
14 January 2002	The HKMA releases key data on the balance sheet of the Exchange Fund in accordance with IMF's SDDS. At the end of December 2001, foreign assets amounted to HK\$822.6 billion. The Monetary Base amounted to HK\$229.7 billion and claims on the private sector in Hong Kong amounted to HK\$51.0 billion.
15 January 2002	The HKMA and China Government Securities Depository Trust & Clearing Co. Ltd. (CDC) agree in principle to establish a link between their securities settlement systems in a bid to promote the development of the debt market infrastructure in the Mainland China and Hong Kong. The link between the HKMA's Central Moneymarkets Unit and CDC's Government Securities Book-Entry System will enable Mainland financial institutions authorized to deal in foreign exchange transactions to hold and settle debt securities in Hong Kong.
17 January 2002	The HKMA announces the operating results of the Exchange Fund for the year 2001. The Exchange Fund recorded a positive investment income of HK\$7.0 billion in 2001. The total assets of the Exchange Fund decreased by HK\$42.8 billion, from HK\$1,023.4 billion at the end of December 2000 to HK\$980.6 billion at the end of December 2001. After deducting interest and other costs, and the sharing of investment income with the fiscal reserves placed with the Exchange Fund, the Accumulated Surplus registered a decline of HK\$4.4 billion.
21 January 2002	The HKMC announces the launch of a new issue of retail bonds that will be placed to investors through an enlarged group of Placing Banks.
25 January 2002	The HKMA publishes the Abridged Exchange Fund Balance Sheet and Currency Board Account as at 31 December 2001. At the end of December 2001, total assets of the Exchange Fund amounted to HK\$980.6 billion. The Monetary Base amounted to HK\$229.7 billion.
30 January 2002	The HKMC announces that subscription of its retail Notes has exceeded the minimum issue amount of HK\$150 million by 8.1 times.