



### Banknotes in Hong Kong: 2002 Hong Kong Special Administrative Region Government ten-dollar note

On 1 July 2002, the Hong Kong Special Administrative Region Government issued a banknote for the first time. The abstract design of this ten-dollar banknote combines the elements of modern architecture in Hong Kong with Chinese festive and cultural activities.

The main colour of earlier ten-dollar notes in Hong Kong was green and these notes were about the size of a crab. They were therefore affectionately known as “green crabs” in the local community. “Green crabs” were often used for *lai sees* – gifts of money given in red envelopes at Chinese New Year.

Issuance of ten-dollar notes in Hong Kong had ceased since 1995. However, a new ten-dollar note was introduced in 2002 in response to popular demand. With its mauve, purple, blue and yellow design, this new ten-dollar note has quickly earned itself a nickname of “colourful crab”.



The front and back of the 2002 ten-dollar note.

Editorial 3

## Feature Articles

Financial integration in Asia 5

A framework for macro stress testing the credit risk of banks in Hong Kong 25

## Supervisor's Memo

The use test for internal ratings-based approaches under Basel II 39

Report on Currency Board Operations for  
29 June – 26 July 2006 42

Record of Discussion of the EFAC Currency Board Sub-Committee on  
1 September 2006 47

Reports on Currency Board Operations for  
27 July – 17 August 2006 48

18 August – 27 September 2006 53

Key Announcements (September to November 2006) 58

Reference Resources 60

Statistical Appendices 63

Monetary Statistics 64

Banking Statistics 65

Capital Markets Statistics 66

Economic Statistics 66

## Half-Yearly Monetary and Financial Stability Report

December 2006

©2006 Hong Kong Monetary Authority  
Reproduction for non-commercial purpose is permitted provided that the source is properly stated.

This *Bulletin* incorporates information up to 13 December 2006.

Cover picture acknowledgements:  
Mr Cheng Po-hung

Full texts of this *Bulletin* and of back issues are available on the HKMA website at  
**[www.hkma.gov.hk](http://www.hkma.gov.hk)**

The Bulletin is published in March, June, September and December each year.

**Hong Kong Monetary Authority**

55th Floor, Two International Finance Centre,  
8 Finance Street, Central, Hong Kong  
Telephone: (852) 2878 8196  
Facsimile: (852) 2878 8197  
E-mail: [hkma@hkma.gov.hk](mailto:hkma@hkma.gov.hk)  
**[www.hkma.gov.hk](http://www.hkma.gov.hk)**

ISSN 1726-9717

Printed in Hong Kong on recycled paper

HK\$100