

CHRONOLOGY OF EVENTS (FEBRUARY 1999 - APRIL 1999)

1 February 1999	The Hong Kong Monetary Authority (HKMA) announces that it will publish data on foreign currency assets and on the balance sheet of the Exchange Fund on a monthly basis in accordance with the International Monetary Fund's Special Date Dissemination Standards (SDDS). Publication commences with the reference month of January 1999. The disclosure initiative aims at providing the public with more relevant and timely indicators of monetary conditions in Hong Kong. Data on foreign currency assets will be released within one week of the end of the reference month. Data on the balance sheet of the Exchange Fund will be released within two weeks of the end of the reference month.
1 February 1999	With the approval of the Exchange Fund Advisory Committee (EFAC), the HKMA announces the setting up of an explicit and transparent backing arrangement for coins in circulation. It also announces a plan to allow interest payments on Exchange Fund Bills and Notes to expand the outstanding amount of Exchange Fund paper. In addition, a regular report on currency board operations will be published as part of the record of the meeting of the EFAC Sub-committee on Currency Board Operations. The first report, issued today, covers the period from 9 November to 31 December 1998.
8 February 1999	The HKMA announces that Hong Kong's official foreign currency assets amounted to US\$90.1 billion at the end of January 1999, making these the fourth largest official reserves in the world.
15 February 1999	The HKMA publishes data on the balance sheet of the Exchange Fund, in accordance with the SDDS, to which Hong Kong has subscribed since January 1999. At the end of January, the monetary base amounted to HK\$196,520 million and the Exchange Fund's claims on the private sector in Hong Kong amounted to HK\$80,078 million. Foreign assets of the Exchange Fund amounted to HK\$655,955 million (excluding foreign currency deposits placed with banks in Hong Kong) and foreign liabilities of the Exchange Fund amounted to HK\$310 million.
24 February 1999	The Board of Directors of the Hong Kong Mortgage Corporation (HKMC) approves the detailed design of the mortgage insurance product to be offered to Approved Sellers to enable home buyers to secure mortgage loans of up to 85% loan-to-value (LTV) ratio. The product has been developed in consultation with Approved Sellers on the Consultative Group on the Mortgage Insurance Programme and prospective mortgage reinsurers.
1 March 1999	The HKMA commences publication, on a monthly basis, of the Abridged Exchange Fund Balance Sheet and Currency Board Account as part of its ongoing efforts to increase transparency. The first set of accounts, released today, refers to the position as at 31 January 1999.

3 March 1999	The HKMA announces that EFAC has approved a new long-term asset allocation strategy for the Exchange Fund. The new investment benchmark includes a 20% allocation to equities, of which 5% is to be allocated to the Hong Kong equity market.
8 March 1999	The HKMA announces that the official foreign currency assets of Hong Kong amounted to US\$89.9 billion at the end of February, making these the fourth largest official reserves in the world.
15 March 1999	The HKMA publishes data on the balance sheet of the Exchange Fund, in accordance with the SDDS. At the end of February, the Monetary Base amounted to HK\$203,042 million. The Exchange Fund's claims on the private sector in HK amounted to HK\$71,566 million. Foreign assets of the Exchange Fund amounted to \$661,465 million (excluding foreign currency deposits placed with banks in HK) and foreign liabilities of the Exchange Fund amounted to HK\$46 million.
16 March 1999	Mr T L Yang, chairman of Exchange Fund Investment Limited (EFIL) announces that EFIL had identified three firms for appointment to a panel of financial advisers to assist in the design and implementation of the disposal plan for the Government Equities Portfolio. The announcement of the names of the institutions will be made after contracts with them are signed.
18 March 1999	The HKMA confers the status of Recognized Dealer for Exchange Fund Bills, Notes and Specified Instruments on the Hong Kong Futures Exchange Clearing Corporation Limited and the Stock Exchange of Hong Kong Options Clearing House Limited.
22 March 1999	The HKMC holds its second Annual General Meeting. The following seven directors are re-appointed by the Financial Secretary for a further term: the Hon. Ronald Arculli, the Hon. Bernard Chan, Mr Eddy Fong, Mr Rafael Hui, Dr the Hon. David Li, Mr Dominic Wong and Ms Anna Wu. Another six new directors are appointed by the Financial Secretary to replace the Directors who had not offered themselves for re-appointment. The new Directors are: Mr Anthony Latter, Mr Chan Kwok-keung, Ms Anita Fung, Mr Lam Yim-nam, the Hon. Sin Chung-kai and Mr Ng Kwok-wai.
26 March 1999	The HKMA announces the operating results of the Exchange Fund for the year 1998. The accumulated surplus of the Exchange Fund grew by 27.5%, from HK\$190.1 billion at the end of December 1997 to HK\$242.3 billion at the end of December 1998.
31 March 1999	The HKMC signs the Master Mortgage Insurance Policy with 26 Approved Sellers. The signing of the Master Mortgage Insurance Policy marks the commencement of the Mortgage Insurance Programme, which was approved by the HKMC's Board of Directors on 24 February 1999.

31 March 1999	The HKMA confirms that three measures to fine-tune the currency board arrangements in Hong Kong will take effect on 1 April 1999. These include: the movement of the exchange rate under the Convertibility Undertaking in respect of the Aggregate Balance from 7.75 to 7.80, by 1 pip per calendar day; the provision of an explicit backing mechanism for the issuance of coins in circulation similar to that for banknotes; and the decision to allow interest payments on Exchange Fund paper.
7 April 1999	The HKMA announces that the official foreign currency assets of Hong Kong amounted to US\$89.5 billion at the end of March, making these the fourth largest official reserves in the world.
8 April 1999	The HKMA issues a letter to the chief executives of all authorised institutions to provide specific suggestions for developing and implementing effective customer awareness programmes on Year 2000 contingency planning.
14 April 1999	The HKMA publishes data on the balance sheet of the Exchange Fund, in accordance with the SDDS. At the end of March, the Monetary Base amounted to HK\$199,433 million. The Exchange Fund's claims on the private sector in HK amounted to HK\$79,921 million. Foreign assets of the Exchange Fund amounted to \$655,852 million (excluding foreign currency deposits placed with banks in HK) and foreign liabilities of the Exchange fund amounted to HK\$25 million.
22 April 1999	The Kowloon-Canton Railway Corporation (KCRC) launches a HK\$10 billion Note Issuance Programme arranged by the HKMA, under which the KCRC can issue fixed rate or floating rate Hong Kong dollar notes with maturities of up to 10 years.
29 April 1999	Exchange Fund Investment Limited (EFIL) announces the appointment of Goldman Sachs (Asia) L.L.C., ING Barings Asia Limited and Jardine Fleming Securities Limited to EFIL's panel of financial advisers in connection with the disposal of the majority of the Exchange Fund's Hong Kong equity portfolio.