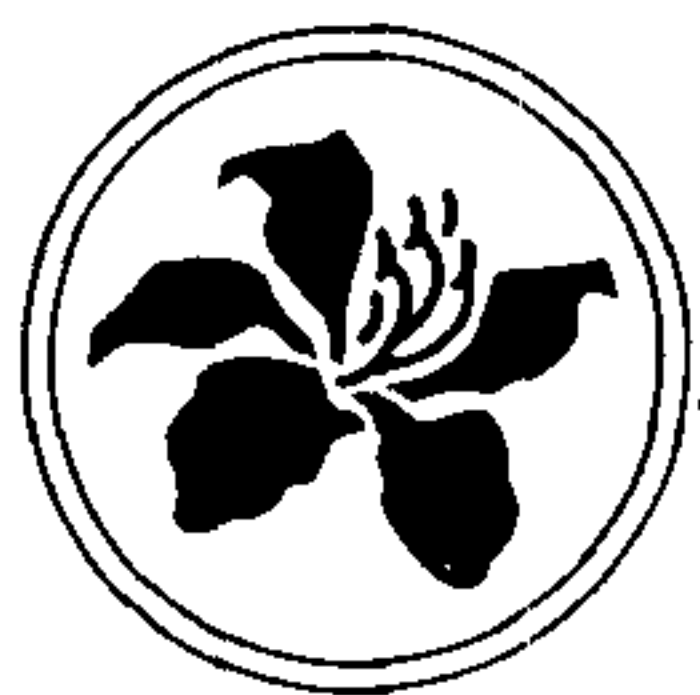




Banking Policy Department

Our Ref : B1/15C
B1/21C

25 April 2003

The Chief Executive
All authorized institutions

Dear Sir/Madam,

Supervisory Policy Manual
IC-1: "General Risk Management Controls"

I am pleased to inform you that, following consultation with the industry, the Monetary Authority is issuing the above guideline under Section 7(3) of the Banking Ordinance today.

This guideline specifies the general controls which the Monetary Authority expects AIs to have in place in their risk management systems. On-line access to the guideline is available under the icon of "Supervisory Policy Manual" in the HKMA's public (<http://www.info.gov.hk/hkma>) and private (<http://www.hkfin.net>) web-sites.

Should you have any questions relating to this guideline, please feel free to contact Ms Michelle Quek on 2878-8218 or Mr Angus Chan on 2878-1287.

Yours faithfully,

Rita Yeung
Acting Executive Director (Banking Policy)

c.c. The Chairman, Hong Kong Association of Banks
The Chairman, The DTC Association