Our Ref: B9/55C

19 May 1999

BY HAND

Mr Liu Jinbao
Chairman
The Hong Kong Association of Banks
Room 525, Prince's Building
10 Chater Road
Central
Hong Kong

Dear Mr Liu,

INTERIM FINANCIAL DISCLOSURE BY AUTHORIZED INSTITUTIONS INCORPORATED IN HONG KONG

I enclose a consultation paper on Interim Financial Disclosure by Authorized Institutions Incorporated in Hong Kong.

The proposed interim financial disclosure package is intended to apply to all locally incorporated authorized institutions with effect for their half-year financial period ending on or after 30 June 1999. The disclosure items contained in the proposed package are primarily drawn from the Best Practice Guide on Financial Disclosure for Authorized Institutions, the Stock Exchange of Hong Kong's existing listing rules and the Hong Kong Monetary Authority's ("HKMA") circular on Disclosure of Additional

Information in Interim Reports issued in June 1998 to listed authorized institutions. As this paper covers interim financial disclosure by all locally incorporated authorized institutions, the above-mentioned circular dated 12 June 1998 will be rescinded. We will discuss the proposed package with the Working Party on Financial Disclosure on 1 June 1999.

I should be grateful if you would provide us the comments of your Association by 7 June 1999. The above document is also available in the HKMA's private website for authorized institutions (http://www.hkfin.net). Should you have any queries on the above, please do not hesitate to contact Mr Frederic Lau (2878 1620) or Mr P M Koo (2878 1536).

I am sending a letter in similar terms to the Deposit-taking Companies Association.

Yours sincerely

D T R Carse
Deputy Chief Executive

Encl

c.c. The President of Hong Kong Society of Accountants