Appendix A

IMPLEMENTATION OF THE GUIDELINES BY OVERSEAS INCORPORATED INSTITUTIONS

Application

The guidelines are intended to apply to all overseas incorporated institutions whose Hong Kong offices currently have total assets of HK$10 billion or more or total customer deposits of HK$2 billion or more. Any institution which meets either one of the size criteria should adopt the recommendations contained in the guidelines.

The HKMA intends to use the figures which the institutions report in respect of item 25 (Total assets less provisions) and item 6.4 (Total deposits from customers) of the "Return of Assets and Liabilities of an Authorized Institution" (MA(BS)1) to determine whether an institution meets the above size criteria. To ensure that institutions know in advance whether or not they should adopt the recommendations and to avoid the effects of one-off fluctuations at the end of financial year, the average of the relevant figures reported in the twelve month period up to end-August ***of each financial year*** will be adopted for this purpose.

Release, display and availability of Key Financial Information Disclosure Statement

The Key Information Disclosure Statement (Disclosure Statement) should be issued in the form of a press notice containing the relevant Disclosure Statement in both English and Chinese to newspapers circulating in Hong Kong within three months from the end of each financial period. A copy of the statement should also be displayed in a conspicuous position in the principal place of business of the institution in Hong Kong and in each local branch if applicable. The statement should also be made readily available to members of the public on request. Institutions should lodge a copy of the press notice with the HKMA prior to release. The HKMA will keep such notices in its public registry maintained under section 20 of the Banking Ordinance.