

Exchange Fund Abridged Balance Sheet and Currency Board Account

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) announced today (June 29) that the total assets of the Exchange Fund amounted to HK\$4,055.4 billion as at May 31, 2018, HK\$112.6 billion lower than that at the end of April 2018. Foreign currency assets decreased by HK\$61.8 billion and Hong Kong dollar assets decreased by HK\$50.8 billion.

The decline in foreign currency assets was mainly due to a decrease in unsettled purchases of securities and the sale of US dollars under the Currency Board arrangements. The decline in Hong Kong dollar assets was mainly due to a decrease in Exchange Fund Bills and Notes issued but not yet settled and withdrawals of placements by Fiscal Reserves.

The Currency Board Account shows that the Monetary Base at the end of May 2018 was HK\$1,644.1 billion, decreased by HK\$26.5 billion, or 1.6%, from the end of April 2018. The decline was mainly due to a decrease in the balance of the banking system and the outstanding amount of Certificates of Indebtedness.

The amount of Backing Assets decreased by HK\$24.3 billion, or 1.3%, to HK\$1,792.4 billion. The decrease was mainly due to the sale of US dollars under the Currency Board arrangements and the redemption of Certificates of Indebtedness. The backing ratio increased from 108.74% at the end of April 2018 to 109.02% at the end of May 2018.

At present, four press releases relating to the Exchange Fund's data are issued by the HKMA each month. Three of these releases are issued to disseminate monetary data in accordance with the International Monetary Fund's Special Data Dissemination Standard (SDDS). The fourth press release, on the Exchange Fund's Abridged Balance Sheet and Currency Board Account, is made in accordance with the HKMA's policy of maintaining a high level of transparency. For the month of June 2018, the scheduled dates for issuing the press releases are as follows:

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| June 7
(Issued) | SDDS International Reserves
(Hong Kong's Latest Foreign Currency Reserve
Assets Figures) |
| June 14
(Issued) | SDDS Analytical Accounts of the Central Bank
(Analytical Accounts of the Exchange Fund) |

June 29	SDDS Template on International Reserves and Foreign Currency Liquidity
June 29	Exchange Fund Abridged Balance Sheet and Currency Board Account