

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:

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

International Reserves and Foreign Currency Liquidity

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

The Hong Kong Monetary Authority (HKMA) released today (June 29) the analytical data on the Hong Kong Special Administrative Region's foreign currency reserves and foreign currency liquidity as at the end of May 2018 (Annex). These data are published monthly in the Template on International Reserves and Foreign Currency Liquidity in accordance with the International Monetary Fund's Special Data Dissemination Standard.

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Monetary Statistics for May 2018

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

According to statistics published today (June 29) by the Hong Kong Monetary Authority, total deposits with authorised institutions fell by 2.5% in May 2018. Hong Kong-dollar deposits dropped by 4.2% during the month, as the decline in demand and savings deposits exceeded the increase in time deposits. Overall foreign-currency deposits decreased by 0.6% in May.

Renminbi deposits in Hong Kong increased by 0.6% to RMB600.9 billion at the end of May. The total remittance of renminbi for cross-border trade settlement amounted to RMB341.6 billion in May, compared with RMB326.4 billion in April.

Total loans and advances decreased by 2.5% in May. Loan growth in May would have edged up by 0.4% if the initial public offering (IPO) loans (around HK\$284 billion) at end-April were excluded. Among the total, loans for use in Hong Kong (including trade finance) declined by 3.7% from a month ago while loans for use outside Hong Kong increased by 0.6%. The Hong Kong-dollar loan-to-deposit ratio edged down to 83.9% at the end of May from 84.1% at the end of April, as Hong Kong-dollar loans decreased at a faster pace than Hong Kong-dollar deposits.

Seasonally adjusted Hong Kong-dollar M1 decreased by 1.7% in May but expanded by 12.0% year on year. Seasonally unadjusted Hong Kong-dollar M3 declined by 3.9% during the month but rose by 7.8% from a year earlier.

Residential Mortgage Survey Results for May 2018

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

The Hong Kong Monetary Authority (HKMA) announced the results of the residential mortgage survey for May 2018.

The number of mortgage applications in May decreased month-on-month by 2.7% to 14 491.

Mortgage loans approved in May increased by 14.4% compared with April to HK\$42.6 billion. Among these, mortgage loans financing primary market

transactions decreased by 2.1% to HK\$6.4 billion and those financing secondary market transactions increased by 16.6% to HK\$24.2 billion. Mortgage loans for refinancing increased by 20.4% to HK\$12.1 billion.

Mortgage loans drawn down during May increased by 17.6% compared with April to HK\$31 billion.

The ratio of new mortgage loans priced with reference to HIBOR increased from 46.3% in April to 67.1% in May. The ratio of new mortgage loans priced at fixed rates decreased from 49.3% in April to 28.5% in May.

The outstanding value of mortgage loans increased month-on-month by 0.8% to HK\$1,246.3 billion at end-May.

The mortgage delinquency ratio remained unchanged at 0.02% and the rescheduled loan ratio remained unchanged at nearly 0%.

Senior appointment at Hong Kong Monetary Authority

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

The Hong Kong Monetary Authority (HKMA) announced today (June 29) that the Financial Secretary, on the advice of the Governance Sub-Committee of the Exchange Fund Advisory Committee, has approved the appointment of Mr Colin Pou as the Executive Director (Financial Infrastructure) with effect from October 29, 2018. Mr Pou will take over from Mr Li Shu-pui, who will leave the HKMA on resignation for personal reason with effect from the same date.

The Executive Director (Financial Infrastructure) is responsible for developing the financial market infrastructure, and for enhancing the fintech ecosystem of Hong Kong. He will also be in charge of the Currency and Settlement Division. Mr Pou's CV is attached.

Commenting on Mr Li's departure, the Chief Executive of the HKMA, Mr Norman Chan, said, "We are sorry to lose Mr Li, who has been with the HKMA for 17 years and has made numerous contributions to the work of the HKMA. I wish him the very best in his future endeavours."