

AoF Financial Leaders Programme completes 2024 field trip to ASEAN (with photos)

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

Building on last year's inaugural success, this year a delegation of 24 participants from the Hong Kong Academy of Finance (AoF) Financial Leaders Programme (FLP) completed a field trip to Bangkok and Jakarta from September 23 to 27.

The field trip aims to deepen the exchanges between the FLP participants and local financial and business leaders on the macro landscape and opportunities in the region and explore how the Hong Kong financial sector can better support the growth of the Association of Southeast Asian Nations (ASEAN) region and establish closer collaboration.

During the trip, the FLP cohorts met with senior executives from 12 prominent institutions (Note) in the two cities through bilateral meetings, fireside chats and site visits. They exchanged views on a wide range of topics, including macro developments in the region, fintech innovation and digitalisation, infrastructure and environmental, social and governance, as well as trade and global supply chain management and financing in the region.

The delegation also participated in a high-level luncheon forum with over 20 Mainland Chinese corporates from the China Chamber of Commerce in Indonesia. The chief representatives of these Mainland Chinese corporates shared insights on the opportunities and challenges for Chinese corporates in the region, while the FLP cohorts shared how Hong Kong, as an international financial centre of the region, could facilitate closer economic ties between ASEAN and Mainland China.

Concluding this ASEAN trip, the Chief Executive Officer (CEO) of the AoF, Mr Enoch Fung, said, "This field trip to ASEAN has deepened our FLP participants' understanding of the ASEAN region and established friendship with the local financial and business community. The exchanges between the two sides were immensely fruitful, paving the way for future collaboration. We hope to continue to organise other field trips under FLP in the future."

About the Hong Kong Academy of Finance

The AoF was set up with full collaboration amongst the Hong Kong Monetary Authority, the Securities and Futures Commission, the Insurance Authority and the Mandatory Provident Fund Schemes Authority. It aims at facilitating financial talents' development and fostering collaboration for applied researches.

About the Financial Leaders Programme

Launched in 2022, the FLP is a programme to inspire Hong Kong's future financial leaders (currently around two levels below the CEO position), equip them with a mindset to lead and to look at issues from macro perspectives, as well as expand their network. Participants are nominated by their CEOs. The 2025 intake will open for application around late October 2024.

Note: Enterprises visited in Thailand include: Bank of Thailand, AAPICO Group, Charoen Pokphand Group, China Petroleum Pipeline Bureau Co. and Siam Commercial Bank. Enterprises visited in Indonesia include: Akulaku, Bluebird Group, HDF Energy, HSBC Indonesia, Jakarta-Bandung High-Speed Railway, PT Chandra Asri Pacific, Tbk and PT Semen Indonesia (Persero), Tbk.





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 (September 30) that the total assets of the Exchange Fund amounted to HK\$3,981.5 billion as at August 31, 2024, HK\$10.6 billion higher than that at the end of July 2024. Foreign currency assets increased by HK\$10.3 billion and Hong Kong dollar assets increased by HK\$0.3 billion.

The rise in foreign currency assets was mainly due to mark-to-market revaluation of investments, interest income from investments and an increase in the month-end balances of unsettled purchase of securities, which were partly offset by withdrawals of Fiscal Reserves placements. The rise in Hong Kong dollar assets was mainly due to mark-to-market revaluation of Hong Kong equities, which was partly offset by a decrease in placements with banks.

The Currency Board Account shows that the Monetary Base at the end of August 2024 was HK\$1,934.9 billion, increased by HK\$11.7 billion, or 0.6 per cent, from the end of July 2024. The increase was mainly due to the increase in the outstanding amount of Certificates of Indebtedness and amortisation of discount on Exchange Fund Bills and Notes issued.

The amount of Backing Assets increased by HK\$17.6 billion, or 0.8 per cent, to HK\$2,173.1 billion at the end of August 2024. The increase was mainly attributable to interest from investments, the issuance of Certificates of Indebtedness and mark-to-market revaluation of investments. The Backing Ratio increased from 112.07 per cent at the end of July 2024 to 112.31 per cent at the end of August 2024.

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 September 2024, the scheduled dates for issuing the press releases are as follows:

September 6 (Issued)	SDDS International Reserves (Hong Kong's Latest Foreign Currency Reserve Assets Figures)
September 13 (Issued)	SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)
September 30	SDDS Template on International Reserves and Foreign Currency Liquidity
September 30	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 (September 30) the analytical data on the Hong Kong Special Administrative Region's foreign currency reserves and foreign currency liquidity as at the end of August 2024 (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 (SDDS).

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 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 September 2024, the scheduled dates for issuing the press releases are as follows:

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Residential mortgage survey results for August 2024

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

The Hong Kong Monetary Authority announced the results of the residential mortgage survey for August 2024.

The number of mortgage applications in August decreased month-on-month by 12.2 per cent to 5,919.

Mortgage loans approved in August decreased by 12.2 per cent compared with July to HK\$21.8 billion. Among these, mortgage loans financing primary market transactions decreased by 11.7 per cent to HK\$7.6 billion and those financing secondary market transactions decreased by 13.7 per cent to HK\$11.8 billion. Mortgage loans for refinancing decreased by 5.6 per cent to HK\$2.4 billion.

Mortgage loans drawn down during August decreased by 2.9 per cent compared with July to HK\$15.9 billion.

The ratio of new mortgage loans priced with reference to HIBOR decreased from 89.8 per cent in July to 88.6 per cent in August. The ratio of new mortgage loans priced with reference to best lending rates increased from 4.6 per cent in July to 6 per cent in August.

The outstanding value of mortgage loans increased month-on-month by 0.1 per cent to HK\$1,870.3 billion at end-August.

The mortgage delinquency ratio remained unchanged at 0.1 per cent and the rescheduled loan ratio remained unchanged at nearly 0 per cent.

Financial results for five months ended August 31, 2024

The Government announced today (September 30) its financial results for the five months ended August 31, 2024.

Expenditure from April to August 2024 amounted to HK\$302.8 billion and revenue HK\$101.8 billion, resulting in a deficit of HK\$183.9 billion after taking into account the proceeds of HK\$24.9 billion received from issuance of Government Bonds and repayment of HK\$7.8 billion principal on Government Bonds.

A Government spokesperson said that the deficit for the period was mainly due to the fact that some major types of revenue including salaries and profits taxes are mostly received towards the end of a financial year.

The fiscal reserves stood at HK\$550.7 billion as at August 31, 2024.

Detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

	Month ended August 31, 2024 HK\$ million	Five months ended August 31, 2024 HK\$ million
Revenue	11,754.5	101,867.5
Expenditure	(60,192.5)	(302,800.9)
Deficit before issuance and repayment of Government Bonds	(48,438.0)	(200,933.4)
Proceeds received from issuance of Government Bonds	—	24,880.4
Repayment of Government Bonds	—	(7,800.5)
Deficit after issuance and repayment of Government Bonds	(48,438.0)	(183,853.5)

Financing		
Domestic		
Banking Sector (Note 2)	48,148.0	180,948.7
Non-Banking Sector	290.0	2,904.8
External	—	—
Total	48,438.0	183,853.5

Government Debts as at August 31, 2024 (Note 3)

HK\$211,194 million

Debts Guaranteed by Government as at August 31, 2024 (Note 4)

HK\$138,806 million

TABLE 2. FISCAL RESERVES

	Month ended August 31, 2024 HK\$ million	Five months ended August 31, 2024 HK\$ million
Fiscal Reserves at start of period	599,169.9	734,585.4
Consolidated Deficit after issuance and repayment of Government Bonds	(48,438.0)	(183,853.5)
Fiscal Reserves at end of period (Note 5)	550,731.9	550,731.9

Notes:

1. This Account consolidates the General Revenue Account and the following eight Funds: Capital Works Reserve Fund, Capital Investment Fund, Civil Service Pension Reserve Fund, Disaster Relief Fund, Innovation and Technology Fund, Land Fund, Loan Fund and Lotteries Fund. It excludes the Bond Fund, the balance of which is not part of the fiscal reserves. The Bond Fund balance as at August 31, 2024, was HK\$223,639 million.

2. Includes transactions with the Exchange Fund and resident banks.

3. These were the Green Bonds (equivalent to HK\$211,194 million as at August 31, 2024) issued under the Government Green Bond Programme. They were denominated in US dollars (US\$9,950 million with maturity from January 2026 to January 2053), euros (5,330 million euros with maturity from January 2025 to November 2041), Renminbi (RMB41,500 million with maturity from November

2024 to July 2054) and Hong Kong dollars (HK\$42,000 million with maturity from May 2025 to October 2026). They do not include the outstanding bonds with nominal value of HK\$180,199 million and alternative bonds with nominal value of US\$1,000 million (equivalent to HK\$7,798 million as at August 31, 2024) issued under the Government Bond Programme (with proceeds credited to the Bond Fund). Of these bonds under the Government Bond Programme (including Silver Bonds with nominal value of HK\$97,199 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$12,500 million will mature within the period from September 2024 to August 2025 and the rest within the period from September 2025 to May 2042.

4. Includes guarantees provided under the SME Loan Guarantee Scheme launched in 2001, the Special Loan Guarantee Scheme launched in 2008, the SME Financing Guarantee Scheme launched in 2012, and Loan Guarantee Scheme for Cross-boundary Passenger Transport Trade, Loan Guarantee Scheme for Battery Electric Taxis and Loan Guarantee Scheme for Travel Sector launched in 2023.

5. Includes HK\$265,217 million, being the balance of the Land Fund held in the name of "Future Fund", for long-term investments up to December 31, 2030. The Future Fund also includes HK\$4,800 million, being one-third of the actual surplus in 2015-16 as top-up.