

# Financial results for the month ended April 30, 2018

The Government announced today (May 31) its financial results for April 2018, the first month of the current financial year.

Expenditure for the first month amounted to HK\$38.4 billion and revenue HK\$33.3 billion, resulting in a deficit of HK\$5.1 billion.

A government spokesperson said that the deficit in April 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\$1,097.9 billion as at April 30, 2018.

More detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

	Month ended April 30, 2018 HK\$ million
Revenue	33,325.7
Expenditure	(38,403.7)
Deficit	(5,078.0)
Financing	
Domestic	
Banking Sector (Note 2)	3,884.6
Non-Banking Sector	1,193.4
External	—
Total	5,078.0

Government Debts as at April 30, 2018 (Note 3)

HK\$1,500 million

Debts Guaranteed by Government as at April 30, 2018 (Note 4)

HK\$25,863.7 million

TABLE 2. FISCAL RESERVES

	Month ended April 30, 2018 HK\$ million
Fiscal Reserves at start of period	1,102,933.7
Consolidated Deficit	(5,078.0)
Fiscal Reserves at end of period (Note 5)	1,097,855.7

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 April 30, 2018 was HK\$142,187 million.

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

3. These were the outstanding institutional notes as at April 30, 2018, which were denominated in Hong Kong dollars with maturity in July 2019. They do not include the outstanding bonds with nominal value of HK\$102,181 million and alternative bonds with nominal value of US\$3,000 million (equivalent to HK\$23,546 million as at April 30, 2018) 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\$5,881 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$23,200 million will mature within the period from May 2018 to April 2019 and the rest within the period from May 2019 to March 2032.

4. Includes guarantees provided under the SME Loan Guarantee Scheme launched in 2001, the Special Loan Guarantee Scheme launched in 2008, the Special Concessionary Measures under the SME Financing Guarantee Scheme launched in 2012, and a commercial loan of the Hong Kong Science and Technology Parks Corporation.

5. Includes HK\$219,730 million being the balance of the Land Fund held in the name of "Future Fund" as from January 1, 2016, for long-term investments initially up to December 31, 2025. As from July 1, 2016, the Future Fund also includes HK\$4,800 million, being one-third of the actual surplus in 2015-16 as top-up.

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# 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 (May 31) that the total assets of the Exchange Fund amounted to HK\$4,168.0 billion as at April 30, 2018, HK\$17.9 billion higher than that at the end of March 2018. Foreign currency assets decreased by HK\$34.0 billion while Hong Kong dollar assets increased by HK\$51.9 billion.

The decline in foreign currency assets was mainly due to the sale of US dollars under the Currency Board arrangements, which was partly offset by an increase in unsettled purchases of securities. The rise in Hong Kong dollar assets was mainly due to an increase in Exchange Fund Bills and Notes issued but not yet settled.

The Currency Board Account shows that the Monetary Base at the end of April 2018 was HK\$1,670.6 billion, decreased by HK\$58.8 billion, or 3.4 per cent, from the end of March 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\$58.4 billion, or 3.1 per cent, to HK\$1,816.7 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 108.42 per cent at the end of March 2018 to 108.74 per cent at the end of April 2018.

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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 May 2018, the scheduled dates for issuing the press releases are as follows:

May 7  
(Issued)

SDDS International Reserves  
(Hong Kong's Latest Foreign Currency Reserve  
Assets Figures)

May 14 (Issued)	SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)
May 31	SDDS Template on International Reserves and Foreign Currency Liquidity
May 31	Exchange Fund Abridged Balance Sheet and Currency Board Account

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## 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 (May 31) the analytical data on the Hong Kong Special Administrative Region's foreign currency reserves and foreign currency liquidity as at the end of April 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 (SDDS).

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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 May 2018, the scheduled dates for issuing the press releases are as follows:

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May 31

Exchange Fund Abridged Balance Sheet and  
Currency Board Account

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## **Monetary Statistics for April 2018**

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

According to statistics published today (May 31) by the Hong Kong Monetary Authority, total deposits with authorized institutions grew by 3.2% in April 2018. As the increase in demand deposits exceeded the decrease in savings and time deposits, Hong Kong-dollar deposits rose by 5.1% during the month. Overall foreign-currency deposits picked up by 1.0% in April. Renminbi deposits in Hong Kong increased by 7.8% to RMB597.6 billion at the end of April. The total remittance of renminbi for cross-border trade settlement amounted to RMB326.4 billion in April, compared with RMB335.6 billion in March.

Total loans and advances rose by 3.3% in April. The loan growth in April 2018 was mainly driven by initial public offering (IPO) loans (around HK\$284 billion) straddling the end of April. Excluding IPO loans, the loan growth in April would have been 0.3%. Among the total, loans for use in Hong Kong (including trade finance) expanded by 4.3% from a month ago while loans for use outside Hong Kong grew by 0.9%. As Hong Kong-dollar loans increased at a faster pace than Hong Kong-dollar deposits, the Hong Kong-dollar loan-to-deposit ratio went up to 84.1% at the end of April from 83.2% at the end of March.

Seasonally adjusted Hong Kong-dollar M1 rose by 2.6% in April and expanded by 15.6% year on year. Seasonally unadjusted Hong Kong-dollar M3 went up by 4.8% during the month and rose by 13.6% from a year earlier.

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## **Residential Mortgage Survey Results for April 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 April 2018.

The number of mortgage applications in April increased month-on-month by 8.6 per cent to 14 898.

Mortgage loans approved in April decreased by 5.6 per cent compared with March to HK\$37.3 billion. Among these, mortgage loans financing primary market transactions decreased by 15 per cent to HK\$6.5 billion and those financing secondary market transactions decreased by 5.7 per cent to HK\$20.8 billion. Mortgage loans for refinancing increased by 1.9 per cent to HK\$10 billion.

Mortgage loans drawn down during April decreased by 11.3 per cent compared with March to HK\$26.4 billion.

The ratio of new mortgage loans priced with reference to HIBOR decreased from 50.3 per cent in March to 46.3 per cent in April. The ratio of new mortgage loans priced at fixed rates increased from 45.4 per cent in March to 49.3 per cent in April.

The outstanding value of mortgage loans increased month-on-month by 0.6 per cent to HK\$1,236.3 billion at end-April.

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