

Financial results for the 10 months ended January 31, 2020

The Government announced today (February 28) its financial results for the 10 months ended January 31, 2020.

There was a surplus of HK\$75.1 billion in the month of January, thereby bringing a cumulative year-to-date surplus of HK\$25 billion after receipt of net proceeds of HK\$7.8 billion from issuance of green bonds under the Government Green Bond Programme (Green Bond) and repayment of institutional notes of HK\$1.5 billion. Expenditure for the 10-month period amounted to HK\$461.9 billion and revenue HK\$480.6 billion.

The fiscal reserves stood at HK\$1,195.9 billion as at January 31, 2020.

A government spokesperson said that the cumulative year-to-date surplus for the period was mainly due to the receipt of land premium, profits tax and stamp duties. Taking into account the forecast revenue and expenditure for the remaining two months, the deficit for the 2019-20 financial year is expected to be HK\$37.8 billion and the fiscal reserves are estimated to be HK\$1,133.1 billion as at the end of March 2020.

Detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

| | Month ended January 31, 2020 HK\$ million | 10 months ended January 31, 2020 HK\$ million |
|--|---|---|
| Revenue | 124,528.2 | 480,612.6 |
| Expenditure | (49,442.0) | (461,891.3) |
| | | |
| Surplus before issuance and repayment of government bonds and notes | 75,086.2 | 18,721.3 |
| | | |
| Net proceeds from issuance of Green Bond | — | 7,828.7 |
| | | |
| Repayment of government bonds and notes | — | (1,500.0) |

| | | |
|--|------------|------------|
| Surplus after issuance and repayment of government bonds and notes | 75,086.2 | 25,050.0 |
| | | |
| Financing | | |
| Domestic | | |
| Banking Sector (Note 2) | (73,633.7) | (24,191.1) |
| Non-Banking Sector | (1,452.5) | (858.9) |
| External | — | — |
| | | |
| Total | (75,086.2) | (25,050.0) |

Government Debts as at January 31, 2020 (Note 3)

HK\$7,769 million

Debts Guaranteed by Government as at January 31, 2020 (Note 4)

HK\$29,224 million

TABLE 2. FISCAL RESERVES

| | Month ended January 31, 2020 HK\$ million | 10 months ended January 31, 2020 HK\$ million |
|---|---|---|
| Fiscal Reserves at start of period | 1,120,846.3 | 1,170,882.5 |
| Consolidated Surplus after issuance and repayment of government bonds and notes | 75,086.2 | 25,050.0 |
| Fiscal Reserves at end of period (Note 5) | 1,195,932.5 | 1,195,932.5 |

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 January 31, 2020, was HK\$131,587 million.

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

3. These were the green bonds of US\$1,000 million (equivalent to HK\$7,769 million as at January 31, 2020) which were denominated in US dollars with maturity in May 2024. They do not include the outstanding bonds with nominal value of HK\$93,427 million and alternative bonds with nominal value of

US\$2,000 million (equivalent to HK\$15,538 million as at January 31, 2020) 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\$8,827 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$12,700 million were repaid upon maturity on February 5, 2020; bonds with nominal value of HK\$12,365 million and alternative bonds with nominal value of US\$1,000 million (equivalent to HK\$7,769 million as at January 31, 2020) will mature within the period from March 2020 to January 2021 and the rest within the period from February 2021 to March 2034.

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 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.