

Financial results for three months ended June 30, 2024

The Government announced today (July 31) its financial results for the three months ended June 30, 2024.

Expenditure for the period April to June 2024 amounted to HK\$176.2 billion and revenue HK\$64 billion, resulting in a cumulative year-to-date deficit of HK\$120 billion after taking into account the repayment of HK\$7.8 billion principal on Government Bonds.

A Government spokesperson said that the cumulative year-to-date 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 and Government Bonds have not been issued between April and June 2024.

The fiscal reserves stood at HK\$614.6 billion as at June 30, 2024.

Detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

	Month ended June 30, 2024 HK\$ million	Three months ended June 30, 2024 HK\$ million
Revenue	13,091.4	63,953.8
Expenditure	(55,589.5)	(176,182.8)
Deficit before repayment of Government Bonds	(42,498.1)	(112,229.0)
Repayment of Government Bonds	–	(7,800.5)
Deficit after repayment of Government Bonds	(42,498.1)	(120,029.5)
Financing		
Domestic		
Banking Sector (Note 2)	42,351.4	117,368.6

Non-Banking Sector	146.7	2,660.9
External	–	–
Total	42,498.1	120,029.5

Government Debts as at June 30, 2024 (Note 3)

HK\$183,898 million

Debts Guaranteed by Government as at June 30, 2024 (Note 4)

HK\$142,665 million

TABLE 2. FISCAL RESERVES

	Month ended June 30, 2024 HK\$ million	Three months ended June 30, 2024 HK\$ million
Fiscal Reserves at start of period	657,054.0	734,585.4
Consolidated Deficit after repayment of Government Bonds	(42,498.1)	(120,029.5)
Fiscal Reserves at end of period (Note 5)	614,555.9	614,555.9

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 June 30, 2024, was HK\$262,641 million.

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

3. These were the Green Bonds (equivalent to HK\$183,898 million as at June 30, 2024) issued under the Government Green Bond Programme. They were denominated in US dollars (US\$8,950 million with maturity from January 2026 to January 2053), euros (4,580 million euros with maturity from January 2025 to November 2041), Renminbi (RMB31,500 million with maturity from November 2024 to June 2033) 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\$216,747 million and alternative bonds with nominal value of US\$1,000 million (equivalent to HK\$7,809 million as at June 30, 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\$124,247 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$48,861 million will mature within the period from July 2024 to June 2025 and the rest within the period from July 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, 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, and a commercial loan of the Hong Kong Science and Technology Parks Corporation.

5. Includes HK\$264,974 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.

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 (July 31) that the total assets of the Exchange Fund amounted to HK\$3,978.6 billion as at June 30, 2024, HK\$0.6 billion lower than that at the end of May 2024. Hong Kong dollar assets decreased by HK\$3.6 billion while foreign currency assets increased by HK\$3.0 billion.

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

The Currency Board Account shows that the Monetary Base at the end of June 2024 was HK\$1,927.4 billion, increased by HK\$8.3 billion, or 0.4 per cent, from the end of May 2024. The increase was mainly due to amortisation of discount on Exchange Fund Bills and Notes issued and the increase in the outstanding amount of Certificates of Indebtedness.

The amount of Backing Assets increased by HK\$12.1 billion, or 0.6 per cent, to HK\$2,147.2 billion at the end of June 2024. The increase was mainly attributable to interest from investments and the issuance of Certificates of

Indebtedness. The Backing Ratio increased from 111.26 per cent at the end of May 2024 to 111.41 per cent at the end of June 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 July 2024, the scheduled dates for issuing the press releases are as follows:

July 5 (Issued)	SDDS International Reserves (Hong Kong's Latest Foreign Currency Reserve Assets Figures)
July 12 (Issued)	SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)
July 31	SDDS Template on International Reserves and Foreign Currency Liquidity
July 31	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 (July 31) the analytical data on the Hong Kong Special Administrative Region's foreign currency reserves and foreign currency liquidity as at the end of June 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 July 2024, the scheduled dates for issuing the press releases are as follows:

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Monetary Statistics for June 2024

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

According to statistics published today (July 31) by the Hong Kong Monetary Authority, total deposits with authorized institutions remained virtually unchanged in June 2024. Among the total, Hong Kong dollar deposits increased by 0.2 per cent while foreign currency deposits decreased by 0.1 per cent in June. For the first half of 2024 as a whole, total deposits and Hong Kong dollar deposits grew by 3.2 per cent and 1.1 per cent respectively. Renminbi deposits in Hong Kong decreased by 6.4 per cent in June to RMB1,061.7 billion at the end of June, mainly reflecting fund flows of corporates. The total remittance of renminbi for cross-border trade settlement amounted to RMB1,260.8 billion in June, compared with RMB1,183.2 billion in May. It should be noted that changes in deposits are affected by a wide range of factors, such as interest rate movements and fund-raising activities. It is therefore more appropriate to observe the longer-term trends, and not to over-generalise fluctuations in a single month.

Total loans and advances increased by 0.5 per cent in June, while decreased by 1.9 per cent in the first half of 2024. Among the total, loans for use in Hong Kong (including trade finance) increased by 1.2 per cent while loans for use outside Hong Kong decreased by 1.7 per cent in June. The Hong Kong dollar loan-to-deposit ratio decreased to 81.3 per cent at the end of June from 81.4 per cent at the end of May, as Hong Kong dollar deposits increased at a faster pace than Hong Kong dollar loans.

For the second quarter of 2024 as a whole, loans for use in Hong Kong (including trade finance) increased by 0.3 per cent after declining by 1.2 per cent in the previous quarter. Analysed by economic use, trade finance increased, while the loans to building, construction, property development and investment decreased.

Hong Kong dollar M2 and M3 both increased by 0.2 per cent in June and

both increased by 1.5 per cent when compared to a year ago. The seasonally-adjusted Hong Kong dollar M1 decreased by 0.4 per cent in June and decreased by 5.9 per cent compared to a year ago, reflecting in part investment-related activities. Total M2 and total M3 both increased by 0.1 per cent in June. Compared to a year earlier, total M2 and total M3 both increased by 7.4 per cent.

As monthly monetary statistics are subject to volatilities due to a wide range of transient factors, such as seasonal and IPO-related funding demand as well as business and investment-related activities, caution is required when interpreting the statistics.

Residential mortgage survey results for June 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 June 2024.

The number of mortgage applications in June decreased month-on-month by 17.2 per cent to 6 690.

Mortgage loans approved in June decreased by 22.5 per cent compared with May to HK\$24.5 billion. Among these, mortgage loans financing primary market transactions decreased by 25.6 per cent to HK\$8.6 billion and those financing secondary market transactions decreased by 21.3 per cent to HK\$13.8 billion. Mortgage loans for refinancing decreased by 16.6 per cent to HK\$2.1 billion.

Mortgage loans drawn down during June increased by 46.9 per cent compared with May to HK\$24.3 billion.

The ratio of new mortgage loans priced with reference to HIBOR decreased from 92 per cent in May to 90.4 per cent in June. The ratio of new mortgage loans priced with reference to best lending rates increased from 3.5 per cent in May to 4.3 per cent in June.

The outstanding value of mortgage loans increased month-on-month by 0.6 per cent to HK\$1,866.8 billion at end-June.

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