

# Financial results for the nine months ended December 31, 2019

The Government announced today (January 31) its financial results for the nine months ended December 31, 2019.

Expenditure for the period from April to December 2019 amounted to HK\$412.4 billion and revenue HK\$356.1 billion, resulting in a cumulative year-to-date deficit of HK\$50 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.

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. The revised estimates for the current financial year will be published along with the 2020-21 Budget on February 26, 2020.

The fiscal reserves stood at HK\$1,120.8 billion as at December 31, 2019.

Detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

	Month ended December 31, 2019 HK\$ million	Nine months ended December 31, 2019 HK\$ million
Revenue	137,861.0	356,084.4
Expenditure	(42,720.7)	(412,449.3)
Surplus/(Deficit) before issuance and repayment of government bonds and notes	95,140.3	(56,364.9)
Net proceeds from issuance of Green Bond	–	7,828.7
Repayment of government bonds and notes	–	(1,500.0)

Surplus/(Deficit) after issuance and repayment of government bonds and notes	95,140.3	(50,036.2)
Financing		
Domestic		
Banking Sector (Note 2)	(94,728.7)	49,442.6
Non-Banking Sector	(411.6)	593.6
External	–	–
Total	(95,140.3)	50,036.2

Government Debts as at December 31, 2019 (Note 3)

HK\$7,789 million

Debts Guaranteed by Government as at December 31, 2019 (Note 4)

HK\$28,641.6 million

TABLE 2. FISCAL RESERVES

	Month ended December 31, 2019 HK\$ million	Nine months ended December 31, 2019 HK\$ million
Fiscal Reserves at start of period	1,025,706.0	1,170,882.5
Consolidated Surplus/(Deficit) after issuance and repayment of government bonds and notes	95,140.3	(50,036.2)
Fiscal Reserves at end of period (Note 5)	1,120,846.3	1,120,846.3

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 December 31, 2019, was HK\$138,586 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\$7,789 million as at December 31, 2019) which were denominated in US dollars with maturity in May 2024. They do not include the outstanding bonds with nominal value of HK\$100,135 million and alternative bonds with nominal value of US\$2,000 million (equivalent to HK\$15,578 million as at December 31, 2019)

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\$8,835 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$6,700 million were repaid upon maturity on January 13, 2020; bonds with nominal value of HK\$25,067 million and alternative bonds with nominal value of US\$1,000 million (equivalent to HK\$7,789 million as at December 31, 2019) will mature within the period from February 2020 to December 2020 and the rest within the period from January 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.