

Financial results for the two months ended May 31, 2019

The Government announced today (June 28) its financial results for the two months ended May 31, 2019.

Expenditure for the period April to May 2019 amounted to HK\$81 billion and revenue HK\$68.9 billion, resulting in a cumulative year-to-date deficit of HK\$4.3 billion after receipt of net proceeds of HK\$7.8 billion from issuance of green bond under the Government Green Bond Programme (Green Bond).

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 fiscal reserves stood at HK\$1,166.6 billion as at May 31, 2019.

Detailed figures are shown in Tables 1 and 2.

Table 1. Consolidated account (Note 1)

	Month ended May 31, 2019 HK\$ million	Two months ended May 31, 2019 HK\$ million
Revenue	21,286.6	68,838.0
Expenditure	(39,068.1)	(80,991.7)
Deficit before issuance of Green Bond	(17,781.5)	(12,153.7)
Net proceeds from issuance of Green Bond	7,828.7	7,828.7
Deficit after issuance of Green Bond	(9,952.8)	(4,325.0)
Financing		
Domestic		

Banking sector (Note 2)	9,403.0	2,956.7
Non-Banking sector	549.8	1,368.3
External	–	–
Total	9,952.8	4,325.0

Government debts as at May 31, 2019 (Note 3)

HK\$9,348 million

Debts guaranteed by Government as at May 31, 2019 (Note 4)

HK\$25,614 million

Table 2. Fiscal reserves

	Month ended May 31, 2019 HK\$ million	Two months ended May 31, 2019 HK\$ million
Fiscal reserves at start of period	1,176,510.3	1,170,882.5
Consolidated deficit after issuance of Green Bond	(9,952.8)	(4,325.0)
Fiscal reserves at end of period (Note 5)	1,166,557.5	1,166,557.5

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 May 31, 2019 was HK\$144,708 million.

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

3. The Government Debts include the Green Bond issued in May 2019 to institutional investors totalling US\$1,000 million (equivalent to HK\$7,848 million as at May 31, 2019) with maturity in May 2024, in addition to the outstanding institutional notes totalling HK\$1,500 million as at May 31, 2019 with maturity in July 2019. They do not include the outstanding bonds with nominal value of HK\$101,235 million and alternative bonds with nominal value of US\$3,000 million (equivalent to HK\$23,544 million as at May 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\$8,735million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of

HK\$10,000 million were repaid upon maturity on June 20, 2019; bonds with nominal value of HK\$22,253 million and alternative bonds with nominal value of US\$1,000 million (equivalent to HK\$7,848 million as at May 31, 2019) will mature within the period from July 2019 to May 2020 and the rest within the period from June 2020 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 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.