

# Provisional financial results for year ended March 31, 2024

The Government announced today (April 30) its provisional financial results for the year ended March 31, 2024.

Expenditure for the year ended March 31, 2024, amounted to HK\$721.3 billion and revenue HK\$549.4 billion, resulting in a deficit of HK\$100.2 billion after taking into account the proceeds of HK\$72.5 billion received from issuance of green bonds and repayment of principal of HK\$0.8 billion under the Government Green Bond Programme (Green Bond).

Expenditure and revenue for the year recorded a variance of 5.2 per cent (HK\$39.7 billion) lower and 14.5 per cent (HK\$93 billion) lower than the original estimate respectively.

The consolidated deficit for the year was HK\$1.4 billion lower than the revised estimate of HK\$101.6 billion deficit. Revenue was HK\$5.2 billion (0.9 per cent) lower than expected, mainly attributable to investment income (HK\$2 billion lower) and duties (HK\$1.6 billion lower). Expenditure was HK\$6.6 billion (0.9 per cent) lower than forecast for the revised estimate mainly due to lower-than-expected requirements.

The fiscal reserves stood at HK\$734.6 billion as at March 31, 2024.

A Government spokesperson said that these are provisional figures pending the final closing of the annual accounts. According to experience, any changes to the provisional figures are unlikely to be significant.

Detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (PROVISIONAL) (Note 1)

	Month ended March 31, 2024 HK\$ million	Year ended March 31, 2024 HK\$ million
Revenue	92,194.0	549,406.8
Expenditure	(74,100.0)	(721,301.1)
Surplus/(Deficit) before issuance and repayment of Green Bond	18,094.0	(171,894.3)

Proceeds received from issuance of Green Bond	0.0	72,489.9
Repayment of Green Bond	0.0	(800.0)
Surplus/(Deficit) after issuance and repayment of Green Bond	18,094.0	(100,204.4)
Financing		
Domestic		
Banking Sector (Note 2)	(17,392.1)	100,449.4
Non-Banking Sector	(701.9)	(245.0)
External	0.0	0.0
Total	(18,094.0)	100,204.4

Government Debts as at March 31, 2024 (Note 3)

HK\$192,529 million

Debts Guaranteed by Government as at March 31, 2024 (Note 4)

HK\$146,608 million

TABLE 2. FISCAL RESERVES (PROVISIONAL)

	Month ended March 31, 2024 HK\$ million	Year ended March 31, 2024 HK\$ million
Fiscal Reserves at start of period	716,491.4	834,789.8
Consolidated Surplus/(Deficit) after issuance and repayment of Green Bond	18,094.0	(100,204.4)
Fiscal Reserves at end of period (Note 5)	734,585.4	734,585.4

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 March 31, 2024, was HK\$291,594 million.

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

3. These were the Green Bonds (equivalent to HK\$192,529 million as at March 31, 2024) issued under the Government Green Bond Programme. They were denominated in US dollars (US\$9,950 million with maturity from May 2024 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\$245,230 million and alternative bonds with nominal value of US\$1,000 million (equivalent to HK\$7,824 million as at March 31, 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\$124,730 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$8,000 million were repaid upon maturity on April 15, 2024; bonds with nominal value of HK\$62,476 million will mature within the period from May 2024 to March 2025 and the rest within the period from April 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 and a commercial loan of the Hong Kong Science and Technology Parks Corporation.

5. Includes HK\$364,957 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.

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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 (April 30) that the total assets of the Exchange Fund amounted to HK\$4,063.8 billion as at March 31, 2024, HK\$22.9 billion higher than that at the end of February 2024. Foreign currency assets increased by HK\$23.2 billion while Hong Kong dollar

assets decreased by HK\$0.3 billion.

The rise in foreign currency assets was mainly due to mark-to-market revaluation of investments and interest income from investments. The decline in Hong Kong dollar assets was mainly due to mark-to-market revaluation of Hong Kong equities and reduction in the month-end balances of unsettled purchase of securities.

The Currency Board Account shows that the Monetary Base at the end of March 2024 was HK\$1,918.1 billion, increased by HK\$8.4 billion, or 0.4 per cent, from the end of February 2024. The increase was mainly due to the increase in the outstanding amount of Certificates of Indebtedness and amortisation of discount on Exchange Fund Bills and Notes.

The amount of Backing Assets increased by HK\$13.6 billion, or 0.6 per cent, to HK\$2,131.5 billion at the end of March 2024. The increase was mainly attributable to interest from investments and the issuance of Certificates of Indebtedness. The Backing Ratio increased from 110.90 per cent at the end of February 2024 to 111.12 per cent at the end of March 2024.

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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 April 2024, the scheduled dates for issuing the press releases are as follows:

April 9 (Issued)	SDDS International Reserves (Hong Kong's Latest Foreign Currency Reserve Assets Figures)
April 12 (Issued)	SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)
April 30	SDDS Template on International Reserves and Foreign Currency Liquidity
April 30	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:

â€‹The Hong Kong Monetary Authority (HKMA) released today (April 30) the analytical data on the Hong Kong Special Administrative Region's foreign currency reserves and foreign currency liquidity as at the end of March 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).

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## [Residential mortgage loans in negative equity: End of March 2024](#)

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

The Hong Kong Monetary Authority announced today (April 30) the results of its survey on residential mortgage loans (RMLs) in negative equity at end-March 2024.

The estimated number of RMLs in negative equity increased to 32 073 cases at end-March 2024 from 25 163 cases at end-December 2023. These cases were mainly related to bank staff housing loans or RMLs under mortgage insurance programme, which generally have a higher loan-to-value ratio.

The aggregate value of RMLs in negative equity increased to HK\$165.3 billion at end-March 2024 compared with HK\$131.3 billion at end-December 2023.

The unsecured portion of these loans increased to HK\$11.2 billion at end-March 2024 from HK\$7.3 billion at end-December 2023.

The three-month delinquency ratio of RMLs in negative equity increased to 0.06 per cent at end-March 2024 from 0.03 per cent at end-December 2023.

It is important to note that the figures derived from this survey relate only to RMLs provided by authorized institutions on the basis of first mortgages and which the reporting institution knows to be in negative equity (i.e. the outstanding loan amount with the reporting institution exceeds the current market value of the mortgaged property). Not included in these figures are RMLs associated with co-financing schemes which would be in negative equity if the second mortgages were taken into account. The extent to which such RMLs are in negative equity is not known because authorized institutions do not maintain records on the outstanding balances of the second mortgages.

The mortgage portfolios of the surveyed authorized institutions represent about 99 per cent of the industry total. The survey results have been extrapolated to estimate the position of the banking sector as a whole.

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## [Red flag hoisted at Ma Wan Tung Wan Beach](#)

Attention TV/radio announcers:

Please broadcast the following as soon as possible:

Here is an item of interest to swimmers.

The Leisure and Cultural Services Department announced today (April 30) that the Environmental Protection Department has classified the water quality at Ma Wan Tung Wan Beach in Tsuen Wan District as Grade 4, which means the beach is not suitable for swimming. The red flag has been hoisted. Beachgoers are advised not to swim at the beach until further notice.