

Press Release

Financial results for the nine months ended December 31, 2016

Friday, January 27, 2017

The Government announced today (January 27) its financial results for the nine months ended December 31, 2016.

There was a surplus of HK\$49.7 billion in the month of December, thereby bringing a cumulative year-to-date surplus of HK\$65.4 billion. Expenditure for the nine-month period amounted to HK\$339.1 billion and revenue HK\$404.5 billion.

A government spokesperson said that the surplus in December was mainly due to the receipts of profits tax, land premium and investment income on fiscal reserves. The revised estimates for the current financial year will be published along with the 2017-18 Budget on February 22, 2017.

The fiscal reserves stood at HK\$908.3 billion as at December 31, 2016.

More detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

| | Month ended December 31, 2016 HK\$ million | Nine months ended December 31, 2016 HK\$ million |
|----------------------------|--|--|
| Revenue | 87,839.7 | 404,511.2 |
| Expenditure | (38,092.0) | (339,114.0) |
| | | |
| Surplus | 49,747.7 | 65,397.2 |
| | | |
| Financing | | |
| Domestic | | |
| Banking Sector (Note 2) | (49,831.4) | (66,633.8) |

| | | |
|--------------------|------------|------------|
| Non-Banking Sector | 83.7 | 1,236.6 |
| External | - | - |
| | | |
| Total | (49,747.7) | (65,397.2) |

Government Debts as at December 31, 2016 (Note 3)

HK\$1,500 million

Debts Guaranteed by Government as at December 31, 2016 (Note 4)

HK\$29,181.9 million

TABLE 2. FISCAL RESERVES

| | Month ended December 31, 2016 HK\$ million | Nine months ended December 31, 2016 HK\$ million |
|--|--|--|
| Fiscal Reserves at start of period | 858,537.1 | 842,887.6 |
| Consolidated Surplus | 49,747.7 | 65,397.2 |
| | | |
| Fiscal Reserves at end of period (Note 5) | 908,284.8 | 908,284.8 |

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, 2016 was HK\$132,620 million.

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

3. These were the outstanding institutional notes as at December 31, 2016, which were denominated in Hong Kong dollars with maturity in July 2019.

They do not include the outstanding bonds with nominal value of HK\$101,291 million and alternative bonds with nominal value of US\$2,000 million (equivalent to HK\$15,508 million as at December 31, 2016) 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\$2,991 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$16,000 million will mature within the period from January 2017 to December 2017 and the rest within the period from January 2018 to July 2030.

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.

Ends