

## Press Release

### Financial results for the six months ended September 30, 2016

Monday, October 31, 2016

The Government announced today (October 31) its financial results for the six months ended September 30, 2016.

Expenditure for the period April to September 2016 amounted to HK\$217.7 billion and revenue HK\$157.6 billion, resulting in a cumulative year-to-date deficit of HK\$60.1 billion.

A government spokesperson said that the cumulative year-to-date deficit for the period was mainly because 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\$782.8 billion as at September 30, 2016.

More detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

	Month ended September 30, 2016 HK\$ million	Six months ended September 30, 2016 HK\$ million
Revenue	25,074.0	157,622.4
Expenditure	(37,155.4)	(217,728.8)
Deficit	(12,081.4)	(60,106.4)
Financing		
Domestic		
Banking Sector (Note 2)	11,845.7	59,351.9
Non-Banking	235.7	754.5

Sector		
External	-	-
Total	12,081.4	60,106.4

Government Debts as at September 30, 2016 (Note 3)

HK\$1,500 million

Debts Guaranteed by Government as at September 30, 2016 (Note 4)

HK\$30,327.9 million

TABLE 2. FISCAL RESERVES

	Month ended September 30, 2016 HK\$ million	Six months ended September 30, 2016 HK\$ million
Fiscal Reserves at start of period	794,862.6	842,887.6
Consolidated Deficit	(12,081.4)	(60,106.4)
Fiscal Reserves at end of period (Note 5)	782,781.2	782,781.2

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 September 30, 2016, was HK\$132,358 million.

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

3. These were the outstanding institutional notes as at September 30, 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\$105,297

million and alternative bonds with nominal value of US\$2,000 million (equivalent to HK\$15,513 million as at September 30, 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\$2,997 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$23,500 million will mature within the period from October 2016 to September 2017 and the rest within the period from October 2017 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