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## 2015 GOVERNMENT FINANCIAL STATEMENT

### GOVERNMENT POSTS A CUMULATIVE 8.7 TRILLION WON SURPLUS IN 2015

#### Cash Basis Accounting

The government ran an 8.7 trillion won cumulative budget surplus in fiscal year 2015. The general and special accounts revenues amounted to 328.1 trillion won, while expenditures amounted to 319.4 trillion won. Surpluses excluding the carry-over from last year amounted to 2.8 trillion won in 2015, turning the year to a surplus for the first time in 4 years.

#### 2015 Government Financial Statement

(trillion won)

			2014	2015	Change
Revenues and expenditures	General and special accounts	- Total revenues (A)	298.7	328.1	29.4
		- Total expenditures (B)	291.5	319.4	27.9
		- Carry-over from last year (C)	8.0	5.9	-2.1
		- Surplus (A-B-C)	-0.8	2.8 <sup>1</sup>	3.6
	Funds <sup>2</sup>	Revenues and expenditures	537.2	583.2	46.0

- 2.5 trillion won (general account) + 0.3 trillion won (special account)  
Of the 2.8 trillion won surplus, 2.2 trillion won was ran by central government's tax revenues
- Total of 65 funds

The consolidated fiscal account posted a deficit of 0.2 trillion won (0.01 percent to GDP), and excluding social security funds<sup>1</sup>, the fiscal account registered a deficit of 38.0 trillion won (2.4 percent to GDP). Compared to the 2015 budget plan, Korea ran less deficits in both the consolidated fiscal account and the consolidated fiscal account excluding social security funds, by 6.8 trillion won (0.4 percentage points to GDP) and 8.6 trillion won (0.6 percentage points to GDP), respectively.

#### 2015 Fiscal Account

(trillion won)

	2014 (A)	2015		Change	
		Budget plan (B)	Settlement (C)	From 2014 (C-A)	From budget (C-B)
Total revenues (a)	356.4	377.7	371.8	15.4	-5.8
Total expenditures (b)	347.9	384.7	372.0	24.1	-12.7

<sup>1</sup> National Pension Fund, Korea Teachers' Pension Fund, Industrial Accident Compensation Insurance Fund, Unemployment Benefit Insurance Fund

Consolidated fiscal account (c, a-b) % to GDP	8.5 0.6	-7.0 -0.5	-0.2 -0.01	-8.7 -0.6%p	6.8 0.4%p
Social security funds (d) % to GDP	38.0 2.6	39.5 2.5	37.8 2.4	-0.2 -0.1%p	-1.8 -0.1%p
Consolidated fiscal account excluding social security funds (c-d) % to GDP	-29.5 -2.0	-46.5 -3.0	-38.0 -2.4	-8.4 -0.4%p	8.6 0.6%p

Central government debt was 556.5 trillion won in 2015 (35.7 percent to GDP and 4.7 trillion won less compared with the outlook), and total government debt including local governments (34.0 trillion won, *preliminary*) was 590.5 trillion won (37.9 percent to GDP).

#### 2015 Government Debt

	2014 Debt (A)	2015		Change	
		Outlook (B)	Debt (C)	From previous year (C-A)	From outlook (C-B)
Central government (a) % to GDP	503.0 33.9	561.2 36.3	556.5 35.7	53.5 1.9%p	-4.7 -0.6%p
Government bonds	498.1	556.2	551.5	53.5	-4.7
- Treasury bonds	438.3	490.6	485.1	46.8	-5.4
- FX stabilization bonds	7.0	7.0	7.1	0.1	0.1
- Housing bonds	52.8	58.7	59.3	6.5	0.6
Borrowings	2.6	3.1	3.3	0.7	0.2
Debt to fund project earmarks	2.4	1.8	1.7	-0.7	-0.1
Local government <sup>1</sup> (b)	30.1	34.0	34.0	3.8	-
Total <sup>1</sup> (a+b) % to GDP	533.2 35.9	595.1 38.5	590.5 37.9	57.3 2.0%p	-4.7 -0.6%p

1. Preliminary

#### Accrual Basis Accounting<sup>2</sup>

Total national assets based on accrual basis accounting amounted to 1,856.2 trillion won, while liabilities amounted to 1,284.8 trillion won. Net assets were 571.4 trillion won, up 24.8 trillion won from the previous year.

Total assets increased (up 96.9 trillion won from the previous year) due to rising investment in securities by public funds. Total liabilities increased (up 72.1 trillion won from the previous year) due to an increase in government bonds issued to support expansionary fiscal policies aimed at stimulating the economy.

Civil servant pension fund liabilities grew at a much slower rate due to the reform of the fund: A total of 52.5 trillion won has been saved as both the amount of pension benefits and the number of beneficiaries decreased.

<sup>2</sup> Revenues and expenses are recognized at the time in which the transaction occurs rather than when payment is made. The system was introduced in the government accounting in 2011

2015 Assets and Liabilities according to Accrual Basis Accounting

*(trillion won)*

		2014	2015	Change
Assets (C)	Liquid assets (A)	718.5	794.8	76.3
	Real estate (B)	1,040.8	1061.4	20.6
	Total (C, A+B)	1,759.3	1856.2	96.9
Liabilities (F)	Government bonds, housing fund liabilities (D)	569.1	624.9	55.8
	Pension fund liabilities (E)	643.6	659.9	16.3
	- Civil servant pension fund liabilities	523.8	531.8	8.0 <sup>1</sup>
	- Military pension fund liabilities	119.8	128.1	8.3
	Total (F, D+E)	1,212.7	1,284.8	72.1
Net assets (G, C-F)		546.6	571.4	24.8

1. Growth plummeted from 8.2 percent (39.4 trillion won) in the previous year to 1.5 percent