

**Exchange Fund Results** <sup>(1)</sup>

(HK\$ bn)	<b>1H 2021</b> <b>(unaudited)</b>	<b>1H 2020</b> <b>(unaudited)</b>	<b>Full year 2020</b> <b>(audited)</b>
Hong Kong equities <sup>(2)</sup>	12.5	(19.6)	4.0
Other equities	46.4	(15.4)	69.9
Bonds	1.3	74.7	92.7
Foreign exchange <sup>(3)</sup>	2.8	(24.4)	9.6
Other investments <sup>(4)</sup>	<u>39.7</u>	<u>(5.7)</u>	<u>59.6</u>
<b>Investment income</b>	<b>102.7</b>	<b>9.6</b>	<b>235.8</b>
Other income	0.1	0.1	0.2
Interest and other expenses	<u>(3.3)</u>	<u>(10.2)</u>	<u>(14.6)</u>
Net income/(loss)	99.5	(0.5)	221.4
Fee payment to Fiscal Reserves <sup>(5) &amp; (6)</sup>	(18.0)	(18.6)	(69.8)
Fee payment to HKSAR government funds and statutory bodies <sup>(5)</sup>	(7.9)	(5.8)	(11.5)

Note 1: Except for other investments, the above figures represent the Exchange Fund's own income and expenditure. The income and expenditure of the Exchange Fund's subsidiaries, associates and joint ventures have not been consolidated.

Note 2: Excluding valuation changes of the Strategic Portfolio.

Note 3: This is primarily the effect of translating foreign currency assets into Hong Kong dollar after deducting the portion for currency hedging.

Note 4: Including valuation changes of private equity and real estate investments held under the LTGP. This figure represents valuation changes up to the end of March 2021. Valuations of these investments from April to June are not yet available.

Note 5: The rate of fee payment is 4.7% for 2021 and 3.7% for 2020.

Note 6: This does not include the 2021 fee payment to the Future Fund because such amount will only be disclosed when the composite rate for 2021 is available. (For 2020, the composite rate was 12.3% and fee payable to the Future Fund was HK\$37.2 billion.)

**Exchange Fund Abridged Balance Sheet** <sup>(1)</sup>  
**(Expressed in billions of Hong Kong dollars)**

	At 30 June 2021 (unaudited)	At 30 June 2020 (unaudited)	At 31 December 2020 (audited)
<b>ASSETS</b>			
Deposits	345.0	293.8	267.0
Debt securities	3,202.3	2,885.9	3,238.0
Hong Kong equities <sup>(2)</sup>	219.6	178.5	206.9
Other equities	542.0	513.1	536.3
Other assets <sup>(3)</sup>	257.7	324.0	251.0
<b>Total assets</b>	<u>4,566.6</u>	<u>4,195.3</u>	<u>4,499.2</u>
<b>LIABILITIES AND EQUITY</b>			
Certificates of Indebtedness	576.8	533.0	556.2
Government-issued currency notes and coins in circulation	12.9	12.8	12.8
Balance of the banking system	457.5	131.6	457.5
Exchange Fund Bills and Notes issued	1,068.9	1,142.7	1,068.9
Placements by banks and other financial institutions	41.6	49.9	87.6
Placements by Fiscal Reserves <sup>(4)</sup>	897.5	1,062.0	881.8
Placements by HKSAR government funds and statutory bodies	370.5	309.8	342.5
Placements by subsidiaries	19.5	13.5	15.5
Other liabilities	285.9	205.7	233.1
<b>Total liabilities</b>	<u>3,731.1</u>	<u>3,461.0</u>	<u>3,655.9</u>
Accumulated Surplus	834.6	733.6	842.4
Revaluation Reserve	0.9	0.7	0.9
<b>Total equity</b>	<u>835.5</u>	<u>734.3</u>	<u>843.3</u>
<b>Total liabilities and equity</b>	<u>4,566.6</u>	<u>4,195.3</u>	<u>4,499.2</u>

Note 1: The above figures represent the Exchange Fund's own balance sheet. The balance sheets of the Exchange Fund's subsidiaries, associates and joint ventures have not been consolidated.

Note 2: Hong Kong equities include shares of the Hong Kong Exchanges and Clearing Limited in the Strategic Portfolio.

Note 3: Including fund injection to Exchange Fund's investment holding subsidiaries at a carrying amount of HK\$194.1 billion at 30 June 2021 (HK\$193.2 billion at 31 December 2020 and HK\$188.3 billion at 30 June 2020).

Note 4: Including placements by the Future Fund of HK\$205.0 billion at 30 June 2021 (HK\$205.0 billion at 31 December 2020 and HK\$224.5 billion at 30 June 2020).