

Exchange Fund Results ⁽¹⁾

(HK\$ bn)	1H 2022 (unaudited)	1H 2021 (unaudited)	Full year 2021 (audited)
Bonds	(55.9)	1.3	12.6
Hong Kong equities ⁽²⁾	(8.5)	12.5	(21.0)
Other equities	(73.2)	46.4	68.8
Foreign exchange ⁽³⁾	(12.8)	2.8	16.8
Other investments ⁽⁴⁾	<u>6.2</u>	<u>76.7</u>	<u>114.7</u>
Investment (loss)/income	(144.2)	139.7	191.9
Other income	0.1	0.1	0.2
Interest and other expenses	<u>(4.1)</u>	<u>(3.2)</u>	<u>(6.1)</u>
Net (loss)/income	(148.2)	136.6	186.0
Fee payment to Fiscal Reserves ^{(5) & (6)}	(20.4)	(18.0)	(93.0)
Fee payment to HKSAR Government funds and statutory bodies ⁽⁵⁾	(10.6)	(7.9)	(16.8)

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 2022. Valuations of these investments from April to June are not yet available.

Note 5: The rate of fee payment is 5.6% for 2022 and 4.7% for 2021.

Note 6: This does not include the 2022 fee payment to the Future Fund because such amount will only be disclosed when the composite rate for 2022 is available. (For 2021, the composite rate was 17.8% and fee payable to the Future Fund was HK\$58.6 billion.)

Exchange Fund Abridged Balance Sheet ⁽¹⁾
(Expressed in billions of Hong Kong dollars)

	At 30 June 2022 (unaudited)	At 30 June 2021 (unaudited)	At 31 December 2021 (audited)
ASSETS			
Deposits	315.5	345.0	300.8
Debt securities	3,019.5	3,202.3	3,290.0
Hong Kong equities ⁽²⁾	167.0	219.6	183.2
Other equities	471.2	542.0	561.8
Other assets ⁽³⁾	237.3	257.7	234.4
Total assets	<u>4,210.5</u>	<u>4,566.6</u>	<u>4,570.2</u>
LIABILITIES AND EQUITY			
Certificates of Indebtedness	617.3	576.8	592.4
Government-issued currency notes and coins in circulation	13.0	12.9	13.1
Balance of the banking system	233.5	457.5	377.5
Exchange Fund Bills and Notes issued	1,187.5	1,068.9	1,148.6
Placements by banks and other financial institutions	15.9	41.6	-
Placements by Fiscal Reserves ⁽⁴⁾	848.2	897.5	973.3
Placements by HKSAR Government funds and statutory bodies	381.4	370.5	394.3
Placements by subsidiaries	29.2	25.5	26.2
Other liabilities	275.7	279.9	238.0
Total liabilities	<u>3,601.7</u>	<u>3,731.1</u>	<u>3,763.4</u>
Accumulated surplus	607.9	834.6	805.9
Revaluation reserve	0.9	0.9	0.9
Total equity	<u>608.8</u>	<u>835.5</u>	<u>806.8</u>
Total liabilities and equity	<u>4,210.5</u>	<u>4,566.6</u>	<u>4,570.2</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 the Exchange Fund's investment holding subsidiaries at a carrying amount of HK\$182.5 billion at 30 June 2022 (HK\$190.1 billion at 31 December 2021 and HK\$194.1 billion at 30 June 2021).

Note 4: Including placements by the Future Fund of HK\$242.7 billion at 30 June 2022 (HK\$217.7 billion at 31 December 2021 and HK\$205.0 billion at 30 June 2021).