Exchange Fund Abridged Balance Sheet
as at 31 October 2025
(Expressed in millions of Hong Kong dollars)

	Notes	31 October 2025	30 September 2025
ASSETS			
Foreign currency assets	1	3,898,736	3,840,751
Hong Kong dollar assets	2	218,853	311,468
Total Assets		4,117,589	4,152,219
LIABILITIES AND EQUITY			
Certificates of Indebtedness	3, 6	629,284	626,786
Government-issued currency notes and coins in circulation	3, 6	12,879	12,900
Balance of the banking system	3	54,053	54,208
Exchange Fund Bills and Notes issued	3, 5	1,328,051	1,412,101
Placements by banks and other financial institutions		109,224	151,355
Placements by Fiscal Reserves		591,110	555,146
Placements by HKSAR Government funds and statutory bodies		261,111	261,167
Placements by subsidiaries		61,165	61,165
Other liabilities	4	150,242	100,023
Total Liabilities		3,197,119	3,234,851
Accumulated surplus		919,339	916,237
Revaluation reserve		1,131	1,131
Total Equity		920,470	917,368
Total Liabilities and Equity		4,117,589	4,152,219

Notes:

1. These include US dollar assets for backing the Monetary Base as presented in the Currency Board Account separately released.

2. These include lending collateralised by Exchange Fund paper under the Discount Window. There were no such advances at 31 October and 30 September 2025.

3. A component of the Monetary Base.

4. These include interest payable on Exchange Fund paper and accounts payable under Currency Board operations.

5. In accordance with accounting principles generally accepted in Hong Kong, for the purpose of balance sheet presentation, Exchange Fund Bills and Notes held as assets of the Exchange Fund are applied to offset the corresponding liabilities. As a result, the amount of Exchange Fund Bills and Notes in this Abridged Balance Sheet is smaller than that shown in the Currency Board Account by the amount offset.

6. In accordance with accounting principles generally accepted in Hong Kong, for the purpose of balance sheet presentation, Certificates of Indebtedness and Government-issued currency notes and coins in circulation are stated at cost, which are the Hong Kong dollars equivalent of the US dollars required for their redemption at the exchange rate ruling at the balance sheet date. As a result, the figures for the Certificates of Indebtedness and Government-issued currency notes and coins in circulation in the Abridged Balance Sheet are different from those shown in the Currency Board Account, which represent the Hong Kong dollar face value.

Exchange Fund
Currency Board Account
as at 31 October 2025
(Expressed in millions of Hong Kong dollars)

	Notes	31 October 2025 (Market Value)	30 September 2025 (Market Value)	
MONETARY BASE				
Certificates of Indebtedness		631,535	628,365	
Government-issued currency notes and coins in circulation		12,925	12,932	
Balance of the banking system		54,053	54,208	
Exchange Fund Bills and Notes issued	3, 4	1,328,051	1,412,101	
Interest payable on Exchange Fund Notes		114	81	
Net accounts (receivable)/payable	3, 5, 7	48	(87,503)	
Total	1, 3	**2,026,726**	**2,020,184**	(a)
BACKING ASSETS				
Investment in designated US dollar assets		2,281,136	2,227,373	
Interest receivable on designated US dollar assets		5,575	6,084	
Net accounts receivable/(payable)	6	(59,563)	(15,291)	
Total	2	**2,227,148**	**2,218,166**	(b)
BACKING RATIO [(b) / (a)] * 100%	8	**109.89%**	**109.80%**	

Notes :

1. Movements in the Monetary Base during the period were as follows:

	HK$ million
Balance brought forward	2,020,184
Increase/(decrease) in Certificates of Indebtedness	3,170
Increase/(decrease) in Government-issued currency notes and coins in circulation	(7)
Net issuance/(redemption) of Exchange Fund Bills and Notes	(87,394)
(Increase)/decrease in Exchange Fund Bills and Notes issued but not yet settled	87,549
Accrued interest on Exchange Fund Notes	33
Amortised discount/(premium) on Exchange Fund Bills and Notes	2,624
Revaluation losses/(gains) relating to Exchange Fund Bills and Notes	720
Net interest expense/(income) on interest rate swaps	3
Revaluation losses/(gains) relating to interest rate swaps	(1)
Increase/(decrease) in balance of the banking system other than due to Discount Window Operations	(155)
Balance carried forward	2,026,726

2. Movements in the Backing Assets during the period were as follows:

	HK$ million
Balance brought forward	2,218,166
Increase/(decrease) in Certificates of Indebtedness	3,170
Increase/(decrease) in Government-issued currency notes and coins in circulation	(7)
Interest from investments	7,843
Revaluation gains/(losses) relating to investments	(2,024)
Balance carried forward	2,227,148

3. Discount Window Operations:

   (i) Discount Window Operations involve Hong Kong dollar overnight advances made to banks by way of crediting their accounts maintained with the HKMA (which is part of the balance of the banking system) on discounting Exchange Fund Bills and Notes. In accordance with generally accepted accounting practice, the Exchange Fund Bills and Notes discounted with the HKMA are not accounted for as reductions in the liabilities of the HKMA but are regarded as securities held against the advances so made.

   (ii) For the purpose of this Account, the advances to banks secured on Exchange Fund Bills and Notes are shown as deductions in arriving at the Monetary Base. There were no such advances at 31 October and 30 September 2025.

4. Exchange Fund Bills and Notes issued:

   (i) Starting from 1 April 1999, interest payments on Exchange Fund Bills and Notes have been allowed to increase the amount of outstanding Exchange Fund paper.

   (ii) Exchange Fund Bills and Notes issued include Exchange Fund Bills and Notes held as assets of the Exchange Fund.

5. In accordance with the accounting policies adopted by the Exchange Fund, Exchange Fund Bills and Notes issued on tender date but not yet settled are included in "Exchange Fund Bills and Notes issued". For the purpose of this Account, the corresponding accounts receivable are shown as deductions in arriving at the Monetary Base. There were no such receivables at 31 October 2025 (HK$87.5 billion at 30 September 2025).

6. This represents the net amount of receivable and payable for unsettled transactions of investments and issuance/redemption of Certificates of Indebtedness.

7. Starting from June 2001, Hong Kong dollar interest rate swaps have been used as a means to manage the cost of issuing Exchange Fund Notes. For the purpose of this Account, interest payable/(receivable) and revaluation losses/(gains) on these interest rate swaps are shown as a component of the Monetary Base and are included in "Net accounts (receivable)/payable".

8. It should be noted that the whole of the Exchange Fund assets, not just the Backing Assets, are available for the purpose of defending the linked exchange rate.