



UK OFFICIAL HOLDINGS OF INTERNATIONAL RESERVES

Part I: UK Government Foreign Currency Assets and Liabilities – October 2009

1. UK Government's net reserves rose by \$555 million in October 2009, bringing the end-October total to \$32,580 million (£19,772 million¹) compared with \$32,025 million (£20,048 million²) at end-September 2009.

	US \$ million: market values	
	End September 2009	End October 2009
Gross Reserves³	65,745	66,174
Liabilities	-33,720	-33,593
<i>of which</i>		
<i>foreign currency forwards and swaps (net)⁴</i>	-14,763	-14,903
<i>repo transactions⁵</i>	-2,964	-3,069
Net reserves⁶	32,025	32,580
Change in net reserves		555
<i>of which</i>		
valuation effects		538
transactions against sterling		17
<i>of which</i>		
<i>UK public sector customers</i>		-32
<i>Other</i>		48

2. As set out in the Chancellor's letter of 6 May 1997 to the Governor of the Bank of England, if the Government so instructs, the Bank, acting as its agent, may intervene in the foreign exchange market by buying or selling Government foreign exchange reserves. If intervention is undertaken, the monthly press release will provide details of the amount and date of the intervention and an explanation of why it was undertaken. No intervention operations were undertaken in October.

Part II: Bank of England Foreign Currency Assets and Liabilities – October 2009.

1. Bank of England's net holdings of foreign currency and gold fell by \$3 million in October 2009 bringing the end-October total to -\$1 million (£606,870¹) compared with \$1 million (£626,017²) at end-September 2009.

	US \$ million: market values	
	End September 2009	End October 2009
Assets³	22,126	22,061
Liabilities	-22,125	-22,063
<i>of which</i>		
<i>foreign currency forwards and swaps (net)⁴</i>	-4,749	-4,186
<i>repo transactions⁵</i>	-32	-69
Net assets⁶	1	-1
Change in net holdings		-3
<i>of which</i>		
valuation effects		-4
transactions against sterling		1
<i>of which</i>		
<i>UK public sector customers</i>		0
<i>Other</i>		1

2. As set out in the Chancellor's letter of 6 May 1997 to the Governor of the Bank of England, the Bank may also undertake foreign exchange operations to intervene in support of its monetary policy objective. If intervention is undertaken, the monthly press release will provide details of the amount and date of intervention and an explanation of why it was undertaken. The Bank undertook no such intervention operations in October.

3. Bank of England foreign currency assets and liabilities mainly arise from the Bank's foreign exchange reserves, deposits placed with the Bank by overseas central banks and other customers, and other capital items.

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1. When converted at a closing market rate of £1 = \$1.6478 on 31st October
 2. When converted at a closing market rate of £1 = \$1.5974 on 30th September
 3. In this presentation gross reserves in part 1 and assets in part 2 exclude market valuation of foreign currency forwards and swaps. These derivatives are shown (excl sterling leg) within liabilities.
 4. Net present value of foreign currency forwards, interest rate and cross currency swaps (excl sterling leg).
 5. Market value of liabilities to repay foreign currency received in repo transactions.
 6. Figures may not sum due to rounding.

Notes for Editors

Background

1. UK international reserves figures are published in accordance with the methodology developed by the International Monetary Fund in the context of revisions to its Special Data Dissemination Standard (SDDS), and the G10 central banks in their report *"Enhancing transparency regarding authorities' foreign currency liquidity position"*.

2. The UK began to disclose additional information on its foreign currency assets and liabilities required under the International Monetary Fund Special Data Dissemination Standard (assets, liabilities and derivatives) from July 1999. Past data can be revised; the most up to date historical data for end-July 1999 onwards can be found on the Bank of England website at www.bankofengland.co.uk/statistics/reserves.

Methodology and definitions

3. The Bank of England website also provides information on the methodology now used and definitions of the main conventions employed.

A National Statistics publication

4. National Statistics is the official source for authoritative, accurate and relevant information on the economy and society. It brings together a vast range of statistical information overseen by the National Statistician. The National Statistics logo is your assurance of statistics produced to the highest professional standards. For more information about National Statistics visit www.statistics.gov.uk. The release of data in this press notice has followed the National Statistics Code of Practice and Protocol of Release Practices.

Next publication date

5. The figures for November 2009 are due for publication on Thursday 3rd December 2009.

Enquiries

6. Media enquiries about this press release should be addressed to the Treasury Press Office on 020 7270 5238.

7. Non-media enquiries should be addressed to the Treasury Correspondence and Enquiry Unit on 020 7270 4558 or by email to public.enquiries@hm-treasury.gsi.gov.uk

8. This Press Release and other Treasury publications are available on the HM Treasury website

www.hm-treasury.gov.uk. For the latest information from HM Treasury you can subscribe to our RSS feeds or email service.

National Statistics Public Enquiry Service

9. For general enquiries about National Statistics, contact the National Statistics Public Enquiry Service on:

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10. You can also find National Statistics on the Internet at www.statistics.gov.uk.