



## UK OFFICIAL HOLDINGS OF INTERNATIONAL RESERVES

### Part I: UK Government Foreign Currency Assets and Liabilities – January 2010

1. The UK Government's net reserves fell by \$250 million in January 2010, bringing the end-January total to \$32,675 million (£20,391 million<sup>1</sup>) compared with \$32,925 million (£20,388 million<sup>2</sup>) at end-December 2009.

	US \$ million: market values	
	End December 2009	End January 2010
<b>Gross Reserves<sup>3</sup></b>	66,357	65,240
<b>Liabilities</b>	-34,432	-32,565
<i>of which</i>		
<i>foreign currency forwards and     swaps (net)<sup>4</sup></i>	-14,311	-12,843
<i>repo transactions<sup>5</sup></i>	-3,234	-4,170
<b>Net reserves<sup>6</sup></b>	32,925	32,675
<b>Change in net reserves</b>		-250
<i>of which</i>		
<b>valuation effects</b>		-256
<b>transactions against sterling</b>		6
<i>of which</i>		
<i>UK public sector customers</i>		-169
<i>Other</i>		175

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 January.

## Part II: Bank of England Foreign Currency Assets and Liabilities – January 2010.

1. The Bank of England's net holdings of foreign currency and gold fell by \$2 million in January 2010, bringing the end-January total to \$2.99 million (£1.87 million<sup>1</sup>) compared with \$4.9 million (£3.03 million<sup>2</sup>) at end-December 2009.

	US \$ million: market values	
	End December 2009	End January 2010
<b>Assets<sup>3</sup></b>	17,903	18,571
<b>Liabilities</b>	-17,898	-18,568
<i>of which</i>		
<i>foreign currency forwards and     swaps (net)<sup>4</sup></i>	-2,997	-2,772
<i>repo transactions<sup>5</sup></i>	-8	-1030
<b>Net assets<sup>6</sup></b>	5	3
<b>Change in net holdings</b>		-2
<i>of which</i>		
<b>valuation effects</b>		-16
<b>transactions against sterling</b>		14
<i>of which</i>		
<i>UK public sector customers</i>		0
<i>Other</i>		14

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 January.

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 = \$1.6024 on 31<sup>st</sup> January 2010
  2. When converted at a closing market rate of £1 = \$1.6149 on 31<sup>st</sup> December 2009
  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.

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## 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](http://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](http://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 February 2010 are due for publication on Wednesday 3rd March 2010.

### 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](mailto: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](http://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](http://www.statistics.gov.uk).