



## UK OFFICIAL HOLDINGS OF INTERNATIONAL RESERVES

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

1. The UK Government's gross reserves rose by \$1,542 million, in part due to a further SDR allocation of \$413 million (£259 million<sup>1</sup>). Net reserves rose by \$1,665 million in September 2009, bringing the end-September total to \$32,025 million (£20,048 million<sup>1</sup>) compared with \$30,360 million (£18,614 million<sup>2</sup>) at end-August 2009.

US \$ million: market values

	End August 2009	End September 2009
<b>Gross Reserves<sup>3</sup></b>	64,203	65,745
<b>Liabilities</b>	-33,843	-33,720
<i>of which</i>		
<i>foreign currency forwards and     swaps (net)<sup>4</sup></i>	-15,392	-14,763
<i>repo transactions<sup>5</sup></i>	-3,175	-2,964
<b>Net reserves<sup>6</sup></b>	30,360	32,025
<b>Change in net reserves</b>		1,665
<i>of which</i>		
<b>valuation effects</b>		837
<b>transactions against sterling</b>		829
<i>of which</i>		
<i>UK public sector customers</i>		-145
<i>Other</i>		973

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 September.

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

1. Bank of England's net holdings of foreign currency and gold rose by \$19 million in September 2009 bringing the end- September total to \$1 million (£626,017 million<sup>1</sup>) compared with -\$18 million (-£11 million<sup>2</sup>) at end-August 2009.

	US \$ million: market values	
	End August 2009	End September 2009
<b>Assets<sup>3</sup></b>	22,370	22,126
<b>Liabilities</b>	-22,388	-22,125
<i>of which</i>		
<i>foreign currency forwards and     swaps (net)<sup>4</sup></i>	-4,356	-4,749
<i>repo transactions<sup>5</sup></i>	-34	-32
<b>Net assets<sup>6</sup></b>	-18	1
<b>Change in net holdings</b>		19
<i>of which</i>		
<b>valuation effects</b>		32
<b>transactions against sterling</b>		-13
<i>of which</i>		
<i>UK public sector customers</i>		0
<i>Other</i>		-13

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 September.

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 = \$1.5974 on 30<sup>th</sup> September
  2. When converted at a closing market rate of £1 = \$1.6310 on 31<sup>st</sup> August
  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 October 2009 are due for publication on Wednesday 4th November 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](mailto:public.enquiries@hm-treasury.gsi.gov.uk)

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

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## **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).