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### Exchange Fund Abridged Balance Sheet and Currency Board Account

Hong Kong Monetary Authority

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HONG KONG MONETARY AUTHORITY  
香港金融管理局

## Press Releases

31 Oct 2008

# Exchange Fund Abridged Balance Sheet and Currency Board Account

The Hong Kong Monetary Authority (HKMA) announced today (Friday) that the total assets of the Exchange Fund amounted to HK\$1,426.3 billion on 30 September 2008.

The figure is included in the Exchange Fund Abridged Balance Sheet, which is released monthly together with the Currency Board Account.

At the end of September 2008 the total assets of the Exchange Fund, at HK\$1,426.3 billion, were HK\$22.4 billion higher than at the end of August 2008. Foreign currency assets increased by HK\$21.1 billion and Hong Kong dollar assets increased by HK\$1.3 billion.

The rise in foreign currency assets was due mainly to purchases of foreign currencies with Hong Kong dollars, interest and dividend income from foreign currency assets, increases in repurchase agreements outstanding and Certificates of Indebtedness. These increases were partly offset by valuation losses on foreign currency investments.

The rise in Hong Kong dollar assets was due mainly to increases in bank borrowings, the balance of the banking system and Exchange Fund Bills and Notes issued but not yet settled. These increases were partly offset by valuation losses on Hong Kong equities held by the Exchange Fund, fiscal drawdowns and sale of Hong Kong dollars for foreign currencies.

The Currency Board Account shows that the Monetary Base at the end of September 2008 was HK\$347.3 billion, an increase of HK\$20.5 billion, or 6.3%, from the end of August 2008. The rise was due mainly to increases in the Aggregate Balance, Certificates of Indebtedness and the market value of Exchange Fund Bills and Notes outstanding.

The Backing Assets increased by HK\$19.0 billion, or 5.2%, to HK\$381.5 billion. The increase was attributable mainly to an increase in the Aggregate Balance, the issuance of Certificates of Indebtedness in the Monetary Base together with interest from investments. These increases were partly offset by exchange loss triggered by a stronger Hong Kong dollar. Reflecting this, the backing ratio declined from 110.92% at the end of August 2008 to 109.85% at the end of September 2008.

## Attachment

Annex 1 : [Abridged Balance Sheet of the Exchange Fund](#)Annex 2 : [Currency Board Account](#)

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Hong Kong Monetary Authority

31 October 2008

At present, four press releases relating to the Exchange Fund's data are issued by the HKMA each month. Three of these releases are issued to disseminate monetary data in accordance with the International Monetary Fund's Special Data Dissemination Standard (SDDS). The fourth press release, on the Exchange Fund's Abridged Balance Sheet and Currency Board Account, is made in accordance with the HKMA's policy of maintaining a high level of transparency. For the month of October 2008, the scheduled dates for issuing the press releases are as follows:

|                           |                                                                                          |
|---------------------------|------------------------------------------------------------------------------------------|
| 8<br>October<br>(Issued)  | SDDS International Reserves (Hong Kong's Latest Foreign Currency Reserve Assets Figures) |
| 14<br>October<br>(Issued) | SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)  |
| 31<br>October             | Exchange Fund Abridged Balance Sheet and Currency Board Account                          |
| 31<br>October             | SDDS Template on International Reserves and Foreign Currency Liquidity                   |

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