

**Exchange Fund Abridged Balance Sheet
as at 31 March 2011
(Expressed in millions of Hong Kong dollars)**

	Notes	31 March 2011	28 February 2011
ASSETS			
Foreign currency assets	1	2,210,467	2,228,240
Hong Kong dollar assets	2	<u>197,711</u>	<u>205,677</u>
Total Assets		<u><u>2,408,178</u></u>	<u><u>2,433,917</u></u>
LIABILITIES AND FUND EQUITY			
Certificates of Indebtedness	3, 7	233,311	237,065
Government-issued currency notes and coins in circulation	3, 5, 7	9,332	9,557
Balance of the banking system	3	148,661	153,638
Exchange Fund Bills and Notes	3, 6	654,848	654,437
Placements by banks and other financial institutions		23,187	23,187
Placements by Fiscal Reserves		610,268	619,795
Placements by HKSAR government funds and statutory bodies		81,554	76,966
Other liabilities	4	<u>43,528</u>	<u>54,195</u>
Total Liabilities		<u>1,804,689</u>	<u>1,828,840</u>
Accumulated Surplus		<u>603,489</u>	<u>605,077</u>
Total Liabilities and Fund Equity		<u><u>2,408,178</u></u>	<u><u>2,433,917</u></u>

Notes:

1. These include US dollar assets for backing the Monetary Base, which amounted to HK\$1,129,885 million at the end of March 2011 and HK\$1,134,871 million at the end of February 2011.
2. These include lending collateralised by Exchange Fund paper under the Discount Window. There was no such lending at the end of March 2011 (HK\$4,920 million at the end of February 2011).
3. A component of the Monetary Base.
4. These include interest payable on Exchange Fund paper and accounts payable under Currency Board operations.
5. Commencing September 2002, ten dollar currency notes issued by the Government are included in this item.
6. 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. Exchange Fund Bills and Notes thus extinguished amounted to HK\$1,000 million at the end of March 2011 (HK\$1,000 million at the end of February 2011). As a result, the Exchange Fund Bills and Notes on the Abridged Balance Sheet are smaller by this amount compared with those on the Currency Board Account.
7. 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 are different from those shown in the Currency Board Account, which represent the Hong Kong dollar face value.