

Exchange Fund - Balance Sheet

as at 31 December 2006

(Expressed in millions of Hong Kong dollars)	Notes	Group		Fund	
		2006	2005 (restated)	2006	2005
ASSETS					
Cash and money at call	6	19,726	15,937	19,661	15,887
Placements with banks and other financial institutions	7	44,670	75,667	42,766	73,120
Derivative financial instruments	8(a)	1,490	1,953	1,227	1,865
Financial assets designated at fair value through profit or loss	9	1,088,192	953,145	1,088,192	953,145
Available-for-sale securities	10	5,107	2,483	493	493
Held-to-maturity securities	11	4,753	4,585	-	-
Loan portfolio	12	32,394	33,549	-	-
Gold	13	330	266	330	266
Other assets	14	18,926	17,023	17,949	16,149
Investments in subsidiaries	15	-	-	2,145	2,145
Interest in associate	16	35	26	-	-
Property, plant and equipment	17	853	888	611	625
Operating land lease prepayment	18	2,997	3,071	2,997	3,071
Intangible assets	19	22	33	22	33
TOTAL ASSETS		1,219,495	1,108,626	1,176,393	1,066,799
LIABILITIES AND EQUITY					
Certificates of Indebtedness	20	156,926	148,406	156,926	148,406
Government-issued currency notes and coins in circulation	20	6,842	6,671	6,842	6,671
Balance of the banking system	21	2,035	1,561	2,035	1,561
Derivative financial instruments	8(a)	735	869	572	525
Trading liabilities	22	2,096	7,412	2,096	7,412
Placements by banks and other financial institutions	23	7,572	25,712	7,572	25,712
Placements by other Hong Kong Special Administrative Region government funds	24	324,530	297,086	324,530	297,086
Placements by Hong Kong statutory bodies		26	-	26	-
Exchange Fund Bills and Notes issued	25	129,139	118,134	129,139	118,134
Other debt securities issued	26	28,910	27,991	-	-
Mortgage-backed securities issued	27	5,341	5,145	-	-
Other liabilities	28	44,231	23,541	38,947	18,146
Total liabilities		708,383	662,528	668,685	623,653
Accumulated surplus	29	510,813	445,826	507,708	443,146
Available-for-sale securities revaluation reserve	29	125	94	-	-
Total equity attributable to owner of the Fund		510,938	445,920	507,708	443,146
Minority interests	29	174	178	-	-
Total equity		511,112	446,098	507,708	443,146
TOTAL LIABILITIES AND EQUITY		1,219,495	1,108,626	1,176,393	1,066,799

Joseph Yam

Monetary Authority

22 March 2007

The notes on pages 119 to 185 form part of these accounts.