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Central Bank Balance Sheet at end-May 2005

The following table shows the Central Bank of Iceland's Balance Sheet as at the end of May 2005 with comparative figures for the end of April 2005 and end of December 2004.

The Central Bank's foreign reserves increased by 0.2 b.kr. to 61.7 b.kr. at the end of May (equivalent to 996 m. US dollars at the current exchange rate). The króna appreciated by 1.4% in May.

Central Bank claims on deposit money banks decreased by 1.4 b.kr. in May and amounted to 15.9 b.kr. at the end of the month. Claims on other financial institutions increased by 1.7 b.kr. to 8.8 b.kr. at the end of the month.

Market value of listed securities in the Bank's portfolio was 2.2 b.kr. at the end of May. Early redemption of housing bonds by the Housing Financing Fund and the maturing of a Treasury bond issue has caused the Bank's securities portfolio to decrease by 1.1 b.kr. since the beginning of the year.

Central Bank liabilities towards deposit money banks increased by 7.1 b.kr. in May and amounted to 21.7 b.kr. at the end of the month, while there was little change in liabilities towards other financial institutions.

Net deposits of central government decreased by 6.6 b.kr. during the month and stood at 15.9 b.kr. at the end of May.

Base money increased by 7.5 b.kr. in May and amounted to 33.5 b.kr. at the end of the month.

For further information, contact the Governors of the Central Bank of Iceland or Erla Árnadóttir, Chief Accountant, tel. (+354) 569-9600.

Central Bank of Iceland Balance Sheet May 31, 2005

m.kr.	POSITION	POSITION	POSITION	CHANGE	
	31.12.04	30.04.05	31.05.05	in 2005	in May
ASSETS:	106,590.3	86,175.1	86,709.8	-19,880.4	534.7
Foreign assets:	65,709.2	61,643.1	61,934.0	-3,775.2	290.9
a. Gold	1,707.2	1,759.9	1,713.1	5.9	-46.8
b. SDR	7.5	5.2	2.8	-4.7	-2.4
c. IMF reserve position	1,765.3	1,782.5	1,768.1	2.9	-14.3
d. Foreign deposits	23,171.2	16,513.2	17,135.1	-6,036.1	621.9
e. Foreign securities and treasury bills	38,909.7	41,436.8	41,081.5	2,171.8	-355.2
f. Other foreign assets	148.2	145.5	233.3	85.1	87.8
Deposit money banks:	31,771.3	17,285.4	15,910.7	-15,860.6	-1,374.7
a. Repurchase agreements	31,771.3	17,285.4	15,910.7	-15,860.6	-1,374.7
Other financial institutions:	8,993.4	7,107.2	8,762.5	-230.9	1,655.3
a. Listed securities	3,231.6	2,200.6	2,184.9	-1,046.7	-15.7
b. Repurchase agreements	5,761.8	4,906.6	6,577.6	815.8	1,671.0
Central government:	32.3	0.0	0.0	-32.3	0.0
a. Listed government bonds	32.3	0.0	0.0	-32.3	0.0
Other assets	84.0	139.4	102.7	18.6	-36.8
LIABILITIES:	106,590.3	86,175.1	86,709.8	-19,880.4	534.7
Foreign short-term liabilities	142.3	284.5	269.3	127.0	-15.1
Counterpart to IMF deposits	1,560.7	1,575.9	1,561.2	0.6	-14.7
Notes and coin	11,632.3	11,473.8	11,848.0	215.7	374.2
Deposit money banks:	26,925.8	14,569.8	21,699.5	-5,226.3	7,129.7
a. Deposits	22,519.0	7,202.5	16,824.6	-5,694.4	9,622.1
b. Collateral deposits for RTGS system	2.9	0.0	0.0	-2.9	0.0
c. Certificates of deposit	4,403.8	7,367.3	4,874.9	471.1	-2,492.4
Other financial institutions:	13,680.8	89.7	87.0	-13,593.8	-2.8
a. Deposits	13,680.8	89.7	87.0	-13,593.8	-2.8
Central government:	17,814.8	22,504.3	15,880.1	-1,934.7	-6,624.2
a. Treasury current account	16,256.8	20,994.4	14,290.6	-1,966.1	-6,703.7
b. Government institutions	519.4	466.3	462.3	-57.1	-4.0
c. Foreign exchange deposits	1,038.6	1,043.7	1,127.2	88.6	83.5
Other liabilities	635.5	1,110.8	1,138.8	503.2	28.0
Estimated net income before tax	.	368.1	27.8	27.8	-340.4
Exchange rate gain/loss for the year	.	522.0	166.8	166.8	-355.2
Estimated operating profit	.	-153.9	-139.1	-139.1	14.8
Capital and reserves	34,198.2	34,198.2	34,198.2	-	-
Memorandum items					
External reserve (foreign assets, items a.-e.)	65,561.0	61,497.6	61,700.7	-3,860.3	203.1
External position, net	65,418.7	61,213.1	61,431.3	-3,987.3	218.2
Net deposits of central government	17,782.4	22,504.3	15,880.1	-1,902.3	-6,624.2
Other claims, total	40,848.7	24,532.0	24,775.9	-16,072.9	243.8
Base money	38,558.1	26,043.6	33,547.5	-5,010.6	7,503.9