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Central Bank Balance Sheet at end-June 2004

The following table shows the Central Bank of Iceland's Balance Sheet as at the end of June 2004 with comparative figures for the end of May 2004 and end of December 2003.

In June, the Central Bank purchased currency in the domestic interbank market for 1.8 b.kr., which is consistent with its strategy of strengthening its external position (see, for example, the November 2003 issue of the Bank's *Monetary Bulletin*). Augmented by foreign exchange-rate gains during the month, the Central Bank's foreign reserves increased by a total of 2.7 b.kr. and amounted to 68.5 b.kr. at the end of the month (equivalent to 944 m. US dollars). Exchange-rate gains resulted from an 0.8% weakening of the Icelandic króna in June.

Central Bank claims on deposit money banks increased by 1.4 b.kr. in June and amounted to 23.6 b.kr. at the end of the month. Claims on other financial institutions also rose, by 1.7 b.kr., and stood at 7 b.kr. at the end of the month.

Central Bank liabilities towards deposit money banks increased by 8.1 b.kr. in June, largely accounted for by certificates of deposit, but DMB deposits with the Bank also rose, by 2.2 b.kr.

Market value of listed securities in the Bank's portfolio was 3.1 b.kr. at the end of June.

Net deposits of central government decreased by 3 b.kr. in June and stood at 25.9 b.kr. at the end of the month.

Base money increased by 8.3 b.kr. during the month and amounted to 30.3 b.kr. at the end of June.

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Central Bank of Iceland Balance Sheet June 30, 2004

m.kr.	POSITION 31.12.03	POSITION 31.05.04	POSITION 30.06.04	CHANGE	
				in 2004	in June
ASSETS:	87,307.0	93,662.8	99,388.1	12,081.1	5,725.3
Foreign assets:	58,274.1	65,999.5	68,651.6	10,377.5	2,652.2
a. Gold	1,873.2	1,785.6	1,826.1	-47.1	40.5
b. SDR	3.5	7.3	7.4	3.9	0.1
c. IMF reserve position	1,962.8	1,947.3	1,977.5	14.7	30.2
d. Foreign deposits	22,739.6	24,481.0	26,063.6	3,324.0	1,582.6
e. Foreign securities and treasury bills	31,529.2	37,616.8	38,614.5	7,085.3	997.7
f. Other foreign assets	165.9	161.6	162.6	-3.4	1.0
Deposit money banks:	24,038.2	22,201.2	23,598.1	-440.1	1,396.9
a. Repurchase agreements	24,038.2	22,201.2	23,598.1	-440.1	1,396.9
b. Overnight loans	0.0	0.0	0.0	0.0	0.0
c. Other claims	0.0	0.0	0.0	0.0	0.0
Other financial institutions:	4,192.6	5,318.9	6,991.0	2,798.4	1,672.1
a. Listed securities	3,223.2	3,208.7	3,036.7	-186.5	-172.0
b. Repurchase agreements	969.4	2,110.2	3,954.2	2,984.8	1,844.0
Central government:	715.5	29.0	29.2	-686.3	0.3
a. Listed government bonds	715.5	29.0	29.2	-686.3	0.3
Other assets	86.5	114.2	118.1	31.5	3.9
LIABILITIES:	87,307.0	93,662.8	99,388.1	12,081.1	5,725.3
Foreign short-term liabilities	123.6	305.0	287.4	163.7	-17.6
Counterpart to IMF deposits	1,734.7	1,719.4	1,747.8	13.1	28.4
Notes and coin	10,583.5	10,938.3	11,106.7	523.2	168.4
Deposit money banks:	11,116.9	11,135.7	19,223.5	8,106.6	8,087.8
a. Deposits	6,615.7	9,533.5	11,769.8	5,154.1	2,236.2
b. Collateral deposits for RTGS system	3,825.0	1,602.1	1,451.9	-2,373.1	-150.2
b. Certificates of deposit	4,501.2	0.0	6,001.8	1,500.6	6,001.8
c. Other liabilities	0.0	0.0	0.0	0.0	0.0
Other financial institutions:	33.2	10.0	10.1	-23.1	0.1
a. Deposits	33.2	10.0	10.1	-23.1	0.1
Central government:	22,900.7	28,906.0	25,887.6	2,987.0	-3,018.4
a. Treasury current account	9,689.1	15,782.4	12,496.6	2,807.5	-3,285.9
b. Government institutions	1,207.6	660.1	876.8	-330.7	216.7
c. Foreign exchange deposits	487.1	715.3	716.6	229.4	1.3
d. Tied deposits	11,516.9	11,748.1	11,797.7	280.8	49.5
Other liabilities	597.5	591.9	560.2	-37.3	-31.7
Estimated net income before tax	.	-160.5	347.8	347.8	508.3
Exchange rate gain/loss for the year	.	1.2	725.8	725.8	724.6
Estimated operating profit	.	-161.8	-378.0	-378.0	-216.2
Capital and reserves	40,217.1	40,217.1	40,217.1	-	-
Memorandum items					
External reserve (foreign assets, items a.-e.)	58,108.2	65,837.9	68,489.1	10,380.9	2,651.2
External position, net	57,984.6	65,533.0	68,201.7	10,217.1	2,668.8
Net deposits of central government	22,185.2	28,877.0	25,858.4	3,673.2	-3,018.6
Other claims, total	28,317.4	27,634.3	30,707.2	-440.1	1,396.9
Base money	21,700.4	22,074.0	30,330.2	8,629.8	8,256.2