

Central Bank Balance Sheet at end-September 2004

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

In September, the Central Bank purchased currency in the domestic interbank market for 1.6 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*). After adjustment for foreign exchange-rate losses resulting from an 0.6% strengthening of the Icelandic króna in September, the Central Bank's foreign reserves increased by 0.3 b.kr. to 71.1 b.kr. at the end of the month (equivalent to 1,004 m. US dollars).

Central Bank claims on deposit money banks decreased by 11.5 b.kr. in September and amounted to 9.6 b.kr. at the end of the month. Claims on other financial institutions increased to 10.7 b.kr. at the end of the month.

Market value of listed securities in the Bank's portfolio was 3.2 b.kr. at the end of September.

Central Bank liabilities towards deposit money banks decreased by 5.3 b.kr. during the month and now amount to 18 b.kr., while liabilities towards other financial institutions remained virtually unchanged.

Net deposits of central government decreased by 3.9 b.kr. in August and stood at 20 b.kr. at the end of the month.

Base money decreased by 5.5 b.kr. in September and amounted to 29 b.kr. at the end of August.

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Central Bank of Iceland Balance Sheet September 30, 2004

m.kr.	POSITION	POSITION	POSITION	CHANGE	
	31.12.03	31.08.04	30.09.04	in 2004	in September
ASSETS:	87,307.0	101,896.3	91,817.6	4,510.6	-10,078.6
Foreign assets:	58,274.1	70,988.6	71,294.7	13,020.6	306.1
a. Gold	1,873.2	1,872.8	1,877.4	4.2	-4.6
b. SDR	3.5	5.4	5.3	1.8	-0.1
c. IMF reserve position	1,962.8	1,961.9	1,937.3	-25.5	-24.6
d. Foreign deposits	22,739.6	28,163.3	27,153.5	4,413.9	-1,009.8
e. Foreign securities and treasury bills	31,529.2	38,825.4	40,162.6	8,633.4	1,337.2
f. Other foreign assets	165.9	159.9	158.7	-7.2	-1.2
Deposit money banks:	24,038.2	21,076.1	9,614.5	-14,423.8	-11,461.7
a. Repurchase agreements	24,038.2	20,646.1	9,614.5	-14,423.8	-11,031.7
b. Overnight loans	0.0	430.0	0.0	0.0	-430.0
c. Other claims	0.0	0.0	0.0	0.0	0.0
Other financial institutions:	4,192.6	9,683.9	10,738.5	6,545.9	1,054.6
a. Listed securities	3,223.2	3,182.7	3,209.1	-14.1	26.4
b. Repurchase agreements	969.4	6,501.1	7,529.4	6,560.0	1,028.2
Central government:	715.5	31.4	31.6	-683.9	0.3
a. Listed government bonds	715.5	31.4	31.6	-683.9	0.3
Other assets	86.5	116.3	138.3	51.8	22.0
LIABILITIES:	87,307.0	101,896.3	91,817.6	4,510.6	-10,078.6
Foreign short-term liabilities	123.6	495.4	494.5	370.9	-0.9
Counterpart to IMF deposits	1,734.7	1,734.0	1,712.5	-22.2	-21.5
Notes and coin	10,583.5	11,205.9	10,973.0	389.5	-232.8
Deposit money banks:	11,116.9	23,301.9	17,996.6	6,879.8	-5,305.3
a. Deposits	6,615.7	5,336.3	7,539.6	923.9	2,203.3
b. Collateral deposits for RTGS system	3,825.0	1,452.2	1,452.2	-2,372.8	0.0
b. Certificates of deposit	4,501.2	16,513.4	9,004.8	4,503.6	-7,508.6
c. Other liabilities	0.0	0.0	0.0	0.0	0.0
Other financial institutions:	33.2	10.1	16.2	-17.0	6.2
a. Deposits	33.2	10.1	16.2	-17.0	6.2
Central government:	22,900.7	23,808.8	19,956.4	-2,944.3	-3,852.4
a. Treasury current account	9,689.1	16,214.9	12,387.1	2,698.0	-3,827.8
b. Government institutions	1,207.6	1,078.5	998.9	-208.7	-79.6
c. Foreign exchange deposits	487.1	739.6	766.4	279.2	26.7
d. Tied deposits	11,516.9	5,775.7	5,804.1	-5,712.8	28.4
Other liabilities	597.5	518.2	529.2	-68.3	10.9
Estimated net income before tax	.	604.9	-77.9	-77.9	-682.8
Exchange rate gain/loss for the year	.	250.3	-498.8	-498.8	-749.1
Estimated operating profit	.	354.6	420.9	420.9	66.3
Capital and reserves	40,217.1	40,217.1	40,217.1	-	-
Memorandum items					
External reserve (foreign assets, items a.-e.)	58,108.2	70,828.7	71,136.0	13,027.8	307.3
External position, net	57,984.6	70,333.3	70,641.5	12,656.9	308.2
Net deposits of central government	22,185.2	23,777.4	19,924.7	-2,260.4	-3,852.7
Other claims, total	28,317.4	30,876.3	20,491.3	-7,826.1	-10,385.0
Base money	21,700.4	34,507.8	28,969.7	7,269.3	-5,538.1