

Central Bank Balance Sheet at end-October 2004

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

In October, the Central Bank purchased currency in the domestic interbank market for 1.4 b.kr., which is consistent with its stated strategy of strengthening its external position. The Central Bank's foreign reserves decreased by 5 b.kr. to 66.1 b.kr. at the end of the month (equivalent to 959 m. US dollars). This reduction was the result of Treasury loan movements during the month along with foreign exchange-rate losses resulting from an 0.12% strengthening of the Icelandic króna in October.

Central Bank claims on deposit money banks increased by 11 b.kr. in October and amounted to 20.6 b.kr. at the end of the month. Claims on other financial institutions increased to 11.2 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 October.

Central Bank liabilities towards deposit money banks increased by 9.6 b.kr. in October and amounted to 27.6 b.kr. at the end of the month, while liabilities towards other financial institutions remained virtually unchanged.

Net deposits of central government decreased by 2.9 b.kr. during the month and stood at 17 b.kr. at the end of October.

Base money increased by 9.7 b.kr. in October and amounted to 38.6 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 October 31, 2004

m.kr.	POSITION 31.12.03	POSITION 30.09.04	POSITION 31.10.04	CHANGE in 2004	CHANGE in October
ASSETS:	87,307.0	91,817.6	98,244.1	10,937.0	6,426.4
Foreign assets:	58,274.1	71,294.7	66,244.7	7,970.5	-5,050.1
a. Gold	1,873.2	1,877.4	1,870.8	-2.4	-6.6
b. SDR	3.5	5.3	10.4	6.9	5.1
c. IMF reserve position	1,962.8	1,937.3	1,922.2	-40.6	-15.1
d. Foreign deposits	22,739.6	27,153.5	19,656.2	-3,083.4	-7,497.3
e. Foreign securities and treasury bills	31,529.2	40,162.6	42,630.4	11,101.2	2,467.8
f. Other foreign assets	165.9	158.7	154.7	-11.2	-4.0
Deposit money banks:	24,038.2	9,614.5	20,629.4	-3,408.9	11,014.9
a. Repurchase agreements	24,038.2	9,614.5	20,529.3	-3,509.0	10,914.8
b. Overnight loans	0.0	0.0	100.1	100.1	100.1
c. Other claims	0.0	0.0	0.0	0.0	0.0
Other financial institutions:	4,192.6	10,738.5	11,218.1	7,025.5	479.6
a. Listed securities	3,223.2	3,209.1	3,199.8	-23.4	-9.3
b. Repurchase agreements	969.4	7,529.4	8,018.3	7,048.9	488.9
Central government:	715.5	31.6	32.0	-683.5	0.3
a. Listed government bonds	715.5	31.6	32.0	-683.5	0.3
Other assets	86.5	138.3	120.0	33.5	-18.3
LIABILITIES:	87,307.0	91,817.6	98,244.1	10,937.0	6,426.4
Foreign short-term liabilities	123.6	494.5	478.3	354.7	-16.3
Counterpart to IMF deposits	1,734.7	1,712.5	1,699.2	-35.5	-13.3
Notes and coin	10,583.5	10,973.0	11,052.7	469.2	79.6
Deposit money banks:	11,116.9	17,996.6	27,593.5	16,476.6	9,596.8
a. Deposits	6,615.7	7,539.6	19,133.6	12,517.9	11,594.0
b. Collateral deposits for RTGS system	3,825.0	1,452.2	1,452.4	-2,372.6	0.2
b. Certificates of deposit	4,501.2	9,004.8	7,007.4	2,506.2	-1,997.4
c. Other liabilities	0.0	0.0	0.0	0.0	0.0
Other financial institutions:	33.2	16.2	16.6	-16.6	0.4
a. Deposits	33.2	16.2	16.6	-16.6	0.4
Central government:	22,900.7	19,956.4	17,079.6	-5,821.0	-2,876.7
a. Treasury current account	9,689.1	12,387.1	9,242.1	-447.0	-3,145.0
b. Government institutions	1,207.6	998.9	1,156.7	-50.9	157.8
c. Foreign exchange deposits	487.1	766.4	846.9	359.7	80.5
d. Tied deposits	11,516.9	5,804.1	5,834.0	-5,682.9	29.9
Other liabilities	597.5	529.2	581.9	-15.6	52.7
Estimated net income before tax	.	-77.9	-474.8	-474.8	-396.8
Exchange rate gain/loss for the year	.	-498.8	-1,117.2	-1,117.2	-618.3
Estimated operating profit	.	420.9	642.4	642.4	221.5
Capital and reserves	40,217.1	40,217.1	40,217.1	-	-
Memorandum items					
External reserve (foreign assets, items a.-e.)	58,108.2	71,136.0	66,090.0	7,981.7	-5,046.0
External position, net	57,984.6	70,641.5	65,611.7	7,627.1	-5,029.8
Net deposits of central government	22,185.2	19,924.7	17,047.7	-5,137.5	-2,877.0
Other claims, total	28,317.4	20,491.3	31,967.5	3,650.1	11,476.2
Base money	21,700.4	28,969.7	38,646.1	16,945.8	9,676.5