



EUROPEAN CENTRAL BANK

26 January 1999

PRESS RELEASE

CONSOLIDATED FINANCIAL STATEMENT OF THE EUROPEAN SYSTEM OF CENTRAL BANKS (EUROSYSTEM) as at 22 January 1999

I. Items not related to monetary policy operations

In the week ending 22 January 1999 the net position of the Eurosystem in foreign currency (asset items 2 and 3 minus liability items 6, 7 and 8) increased by EUR 0.7 billion to stand at EUR 231.3 billion. The change was mainly due to an increase in asset item 3 (**claims on euro area residents in foreign currency**) of EUR 0.7 billion. The stock of **gold** (asset item 1) remained unchanged.

The holdings by the Eurosystem of marketable **securities** issued by euro area residents and denominated in euro (asset item 6) increased by EUR 0.5 billion to stand at EUR 21.8 billion.

Banknotes in circulation (liability item 1) decreased by a further EUR 4.2 billion compared with a week earlier. The decrease continued to be in line with the seasonal pattern characterising this balance sheet position during the first weeks of the year.

Liabilities to general government increased by EUR 10.4 billion compared with the situation as at 15 January 1999, principally reflecting the shifting of funds by governments from current accounts with the banking system to current accounts with national central banks.

The Eurosystem's net liabilities denominated in euro vis-à-vis non-euro area residents (liability item 5 minus asset item 4) decreased by EUR 0.9 billion, mainly in connection with reduced

real-time gross settlement (RTGS) account holdings of the EU central banks not participating in Monetary Union.

The residual items (**other assets** minus **other liabilities**) showed an increase in net assets of EUR 0.1 billion.

II. Items related to monetary policy operations

The Eurosystem's net lending to its counterparties in the financial sector (asset item 5 minus liability items 2.2 and 3) decreased by EUR 16.0 billion. This was mainly due to a reduction of EUR 16.0 billion in lending recorded under item 5.1 (**main refinancing operations**), reflecting the fact that the first main refinancing operation of the Eurosystem – for EUR 75 billion – had matured on 20 January and that only EUR 59 billion had been allotted in the operation conducted on 19 January (and settled on 20 January). The overall reduction in net lending also takes account of the maturing of some operations conducted by the national central banks in Stage Two; asset item 5.7, **other lending**, decreased by EUR 1.4 billion to EUR 1.2 billion.

Recourse to the two standing facilities offered by the Eurosystem was again smaller than in the previous week, reflecting the continued general trend towards lower volumes of borrowing and depositing through the standing facilities. In particular, **marginal lending** amounted to EUR 2.1 billion, while recourse to the **deposit facility** amounted to EUR 0.2 billion (asset item 5.5 and liability item 2.2, respectively). Accordingly, net lending via the standing facilities amounted to EUR 1.9 billion compared with the lower net figure of EUR 0.5 billion the previous week; this week's higher net figure is due to lower use of the deposit facility.

III. Current accounts of the euro area financial sector

As a result of all transactions, the **current account** position of counterparties with the Eurosystem (liability item 2.1) decreased by EUR 20.1 billion to stand at EUR 87.7 billion. This was below the Eurosystem's estimate of the aggregate reserve requirement, which has to be fulfilled as a daily average during the first maintenance period starting on 1 January 1999 and ending on 23 February 1999. However, this temporary shortfall has to be seen in relation to the average daily current account holdings, which have been in surplus compared with the estimated reserve requirements in the first part of the current maintenance period.

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Consolidated weekly financial statement of the Eurosystem as at 22 January 1999

(EUR millions)

| Assets | Balance as at 22 January 1999 | Difference compared to last week due to transactions | Liabilities | Balance as at 22 January 1999 | Difference compared to last week due to transactions |
|---|----------------------------------|--|---|----------------------------------|--|
| 1 Gold and gold receivables | 99,589 | 0 | 1 Banknotes in circulation | 326,555 | -4,241 |
| 2 Claims on non-euro area residents denominated in foreign currency | | | 2 Liabilities to euro area financial sector counterparties denominated in euro | | |
| 2.1 Receivables from the IMF | 29,120 | -60 | 2.1 Current accounts (covering the minimum reserve system) | 87,733 | -20,091 |
| 2.2 Balances with banks and security investments, external loans and other external assets | 206,267 | 49 | 2.2 Deposit facility | 234 | -1,876 |
| | 235,387 | -11 | 2.3 Fixed-term deposits | 0 | 0 |
| 3 Claims on euro area residents denominated in foreign currency | 7,277 | 736 | 2.4 Fine-tuning reverse operations | 0 | 0 |
| 4 Claims on non-euro area residents denominated in euro | | | 2.5 Deposits related to margin calls | 3 | 1 |
| 4.1 Balances with banks, security investments and loans | 7,238 | -872 | | 87,970 | -21,966 |
| 4.2 Claims arising from the credit facility under the ERM II | 0 | 0 | 3 Debt certificates issued | 11,651 | 0 |
| | 7,238 | -872 | 4 Liabilities to other euro area residents denominated in euro | | |
| 5 Lending to financial sector counterparties of euro area | | | 4.1 General government | 39,430 | 10,359 |
| 5.1 Main refinancing operations | 106,918 | -15,980 | 4.2 Other liabilities | 4,012 | 63 |
| 5.2 Longer-term refinancing operations | 44,998 | 0 | | 43,442 | 10,422 |
| 5.3 Fine-tuning reverse operations | 0 | 0 | 5 Liabilities to non-euro area residents denominated in euro | 9,148 | -1,751 |
| 5.4 Structural reverse operations | 0 | 0 | 6 Liabilities to euro area residents denominated in foreign currency | 1,297 | -232 |
| 5.5 Marginal lending facility | 2,111 | -544 | 7 Liabilities to non-euro area residents denominated in foreign currency | | |
| 5.6 Credits related to margin calls | 80 | 22 | 7.1 Deposits, balances and other liabilities | 4,344 | 276 |
| 5.7 Other lending | 1,180 | -1,357 | 7.2 Liabilities arising from the credit facility under the ERM II | 0 | 0 |
| | 155,287 | -17,859 | | 4,344 | 276 |
| 6 Securities of euro area residents denominated in euro | 21,794 | 459 | 8 Counterpart of special drawing rights allocated by the IMF | 5,767 | 0 |
| 7 General government debt denominated in euro | 60,183 | 53 | 9 Other liabilities | 66,492 | -1,956 |
| 8 Other assets | 80,867 | -1,876 | 10 Revaluation accounts | 59,681 | 0 |
| | | | 11 Capital and reserves | 51,275 | 78 |
| Total assets | 667,622 | -19,370 | Total liabilities | 667,622 | -19,370 |

Totals/sub-totals may not add up, due to rounding.