



EUROPEAN CENTRAL BANK

2 February 1999

## PRESS RELEASE

# CONSOLIDATED FINANCIAL STATEMENT OF THE EUROSYSTEM as at 29 January 1999

### I. Items not related to monetary policy operations

In the week ending 29 January 1999 the net position of the Eurosystem in foreign currency (asset items 2 and 3 minus liability items 6, 7 and 8) decreased by EUR 2.6 billion to EUR 228.7 billion. The change was mainly due to a decrease in asset item 2 (**claims on non-euro area residents denominated in foreign currency**) of EUR 2.4 billion as a result of transactions made on behalf of customers, essentially governments of Member States.

The holdings by the Eurosystem of marketable **securities** issued by euro area residents and denominated in euro (asset item 6) increased by EUR 0.3 billion to EUR 22.1 billion.

**Banknotes in circulation** (liability item 1) were little changed compared with the previous week.

**Liabilities to general government** increased by EUR 12.9 billion, mainly reflecting typical end-of-month tax inflows to Treasuries.

The Eurosystem's net liabilities denominated in euro vis-à-vis non-euro area residents (liability item 5 minus asset item 4) increased by EUR 3.0 billion. This was mainly due to higher 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 a decrease in net assets of EUR 11.8 billion. This reflects an exceptional increase of EUR 11.3 billion in **other liabilities** (liability item 9), a category which includes items in course of settlement, which was related to the failure of one TARGET component on 29 January.

## 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) increased by EUR 27.2 billion. This was mainly due to an increase of EUR 21.0 billion in lending recorded under item 5.1 (**main refinancing operations**) and to an increase of EUR 6.6 billion in marginal lending by the Eurosystem.

Recourse to the **marginal lending facility** amounted to EUR 8.7 billion (asset item 5.5), while recourse to the **deposit facility** amounted to EUR 0.7 billion (liability item 2.2), compared with recourse to the two standing facilities of EUR 2.1 billion and EUR 0.2 billion respectively on 22 January 1999. Accordingly, net lending via the standing facilities amounted to EUR 8.0 billion compared with the net figure of EUR 1.9 billion one week earlier. The increased use of the marginal lending facility was related to the above-mentioned failure of one TARGET component on 29 January 1999.

## 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 3.1 billion to stand at EUR 84.6 billion. This was below the Eurosystem's estimate of the aggregate reserve requirement of around EUR 98 billion, 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.

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## Consolidated weekly financial statement of the Eurosystem as at 29 January 1999

(EUR millions)

Assets	Balance as at 29 January 1999	Difference compared to last week due to transactions	Liabilities	Balance as at 29 January 1999	Difference compared to last week due to transactions
1 Gold and gold receivables	99,589	0	1 Banknotes in circulation	326,534	-21
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	29,105	-15	2.1 Current accounts (covering the minimum reserve system)	84,632	-3,101
2.2 Balances with banks and security investments, external loans and other external assets	203,914	-2,353	2.2 Deposit facility	709	475
	<b>233,019</b>	<b>-2,368</b>	2.3 Fixed-term deposits	0	0
3 Claims on euro area residents denominated in foreign currency	7,385	108	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	12	9
4.1 Balances with banks, security investments and loans	9,094	1,856		<b>85,353</b>	<b>-2,617</b>
4.2 Claims arising from the credit facility under the ERM II	0	0	3 Debt certificates issued	11,650	-1
	<b>9,094</b>	<b>1,856</b>	4 Liabilities to other euro area residents denominated in euro		
5 Lending to financial sector counterparties of euro area			4.1 General government	52,373	12,943
5.1 Main refinancing operations	127,967	21,049	4.2 Other liabilities	4,279	267
5.2 Longer-term refinancing operations	44,998	0		<b>56,652</b>	<b>13,210</b>
5.3 Fine-tuning reverse operations	0	0	5 Liabilities to non-euro area residents denominated in euro	14,049	4,901
5.4 Structural reverse operations	0	0	6 Liabilities to euro area residents denominated in foreign currency	1,618	321
5.5 Marginal lending facility	8,700	6,589	7 Liabilities to non-euro area residents denominated in foreign currency		
5.6 Credits related to margin calls	127	47	7.1 Deposits, balances and other liabilities	4,325	-19
5.7 Other lending	1,120	-60	7.2 Liabilities arising from the credit facility under the ERM II	0	0
	<b>182,912</b>	<b>27,625</b>		<b>4,325</b>	<b>-19</b>
6 Securities of euro area residents denominated in euro	22,096	302	8 Counterpart of special drawing rights allocated by the IMF	5,767	0
7 General government debt denominated in euro	60,185	2	9 Other liabilities	77,753	11,261
8 Other assets	80,358	-509	10 Revaluation accounts	59,658	-23
			11 Capital and reserves	51,279	4
<b>Total assets</b>	<b>694,638</b>	<b>27,016</b>	<b>Total liabilities</b>	<b>694,638</b>	<b>27,016</b>

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