



EUROPEAN CENTRAL BANK

8 January 2003

PRESS RELEASE

CONSOLIDATED FINANCIAL STATEMENT OF THE EUROSYSTEM as at 3 January 2003

I. Changes in the classification of balance sheet items

National banknotes issued by the national central banks of the Eurosystem before 1 January 2002 were included under the item **banknotes in circulation** (liability item 1) until 31 December 2002, on which date they amounted to EUR 13.3 billion. As from 1 January 2003, national banknotes still outstanding have been excluded from the item **banknotes in circulation** (liability item 1). To the extent that the countervalue of these banknotes has not yet been paid to the respective national governments or credited by the respective national central banks to their profit and loss accounts, they have been reclassified as **other liabilities** (liability item 10). Consequently, the item **banknotes in circulation** (liability item 1) now consists exclusively of euro banknotes.

The ECB has reclassified its part of the asset item **securities of euro area residents denominated in euro** (asset item 7), amounting to EUR 5.3 billion, as a dedicated investment portfolio under the item **other assets** (asset item 9) as at 31 December 2002.

II. Items not related to monetary policy operations

In the week ending 3 January 2003, the decrease of EUR 119 million in **gold and gold receivables** (asset item 1) corresponded to quarterly revaluation adjustments and to a sale of 5 tonnes by a national central bank of the Eurosystem. The disposal is consistent with the Central Bank Gold Agreement of 26 September 1999.

The net position of the Eurosystem in foreign currency (asset items 2 and 3 minus liability items 7, 8 and 9) decreased by EUR 12.4 billion to EUR 228.3 billion owing mainly to the effects of the quarterly revaluation of assets and liabilities. The customer and portfolio transactions in the period under review resulted in an increase of EUR 0.7 billion.

The holdings by the Eurosystem of marketable **securities of euro area residents denominated in euro** (asset item 7) decreased by EUR 5.3 billion to EUR 27.8 billion (see Section I above). **Banknotes in circulation** (liability item 1) fell by EUR 20.1 billion to EUR 354.5 billion, primarily on account of the above-mentioned reclassification. **Liabilities to general government** (liability item 5.1) decreased by EUR 7.4 billion to EUR 42.4 billion.

General government debt denominated in euro (asset item 8) decreased by EUR 21.8 billion, which was mainly due to the restructuring of a pre-Stage Three claim of the Banca d'Italia on the Italian government. Part of this decrease was covered by the use of a revaluation account reported under liability item 11 which was included in the opening balance sheet of the Eurosystem at the start of Stage Three of Economic and Monetary Union.

III. Items related to monetary policy operations

The Eurosystem's net lending to credit institutions (asset item 5 minus liability items 2.2, 2.3, 2.4, 2.5 and 4) decreased by EUR 11.4 billion to EUR 223 billion. On Tuesday, 31 December 2002, a **main refinancing operation** of EUR 103.5 billion matured and a new one of EUR 92 billion was settled.

Recourse to the **marginal lending facility** (asset item 5.5) was virtually nil (approximately the same as in the preceding week), while recourse to the **deposit facility** (liability item 2.2) was EUR 0.1 billion (compared with EUR 0.2 billion in the previous week).

IV. Current accounts of euro area credit institutions

As a result of all transactions, the **current account** position of credit institutions with the Eurosystem (liability item 2.1) increased by EUR 0.8 billion to EUR 129.9 billion.

V. Year-end revaluation of the Eurosystem's assets and liabilities

In accordance with the Eurosystem's harmonised accounting rules, gold, foreign exchange, securities holdings and financial instruments of the Eurosystem are revalued at market rates and prices as at the end of each quarter. The net impact of the revaluation on each balance sheet item as at 31 December 2002 is shown in the additional column headed "**Difference compared to last week due to revaluations**". The gold price and the principal exchange rates used for the revaluation of balances were:

USD 1.0487 per EUR

JPY 124.39 per EUR

Gold: EUR 326.83 per fine oz.

Special drawing rights: EUR 1.2963 per SDR

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Consolidated weekly financial statement of the Eurosystem as at 3 January 2003

(EUR millions)

Assets	Balance as at 3 January 2003	Difference compared to last week due to transactions	Difference compared to last week due to valuations	Liabilities	Balance as at 3 January 2003	Difference compared to last week due to transactions	Difference compared to last week due to valuations
1 Gold and gold receivables	130,739	-54	-65	1 Banknotes in circulation	354,528	-20,072	0
2 Claims on non-euro area residents denominated in foreign currency				2 Liabilities to euro area credit institutions related to monetary policy operations denominated in euro			
2.1 Receivables from the IMF	31,312	-89	-1,126	2.1 Current accounts (covering the minimum reserve system)	129,938	792	0
2.2 Balances with banks and security investments, external loans and other external assets	205,453	1,158	-11,812	2.2 Deposit facility	74	-85	0
	236,765	1,069	-12,938	2.3 Fixed-term deposits	0	0	0
3 Claims on euro area residents denominated in foreign currency	19,948	1,000	-933	2.4 Fine-tuning reverse operations	0	0	0
4 Claims on non-euro area residents denominated in euro				2.5 Deposits related to margin calls	0	0	0
4.1 Balances with banks, security investments and loans	4,030	-5	15		130,012	707	0
4.2 Claims arising from the credit facility under ERM II	0	0	0	3 Other liabilities to euro area credit institutions denominated in euro	15	0	0
	4,030	-5	15	4 Debt certificates issued	2,029	0	0
5 Lending to euro area credit institutions related to monetary policy operations denominated in euro				5 Liabilities to other euro area residents denominated in euro			
5.1 Main refinancing operations	180,000	-11,501	0	5.1 General government	42,408	-7,434	0
5.2 Longer-term refinancing operations	45,000	0	0	5.2 Other liabilities	5,000	-243	0
5.3 Fine-tuning reverse operations	0	0	0		47,408	-7,677	0
5.4 Structural reverse operations	0	0	0	6 Liabilities to non-euro area residents denominated in euro	11,555	2,745	0
5.5 Marginal lending facility	45	5	0	7 Liabilities to euro area residents denominated in foreign currency	1,126	5	-111
5.6 Credits related to margin calls	72	24	0	8 Liabilities to non-euro area residents denominated in foreign currency	20,996	1,995	-1,066
	225,117	-11,472	0	8.1 Deposits, balances and other liabilities	0	0	0
6 Other claims on euro area credit institutions denominated in euro	120	11	0	8.2 Liabilities arising from the credit facility under ERM II	20,996	1,995	-1,066
7 Securities of euro area residents denominated in euro	27,824	-5,520	246	9 Counterpart of special drawing rights allocated by the IMF	6,339	0	-228
8 General government debt denominated in euro	44,486	-21,820	0	10 Other liabilities	73,817	9,022	674
9 Other assets	105,962	11,181	1,719	11 Revaluation accounts	82,844	-12,231	-11,232
				12 Capital and reserves	64,323	-105	8
Total assets	794,992	-25,611	-11,955	Total liabilities	794,992	-25,611	-11,955

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