



EUROPEAN CENTRAL BANK

5 January 2005

PRESS RELEASE

CONSOLIDATED FINANCIAL STATEMENT OF THE EUROSYSTEM AS AT 31 DECEMBER 2004

I. Items not related to monetary policy operations

In the week ending 31 December 2004, the decrease of EUR 4.2 billion in **gold and gold receivables** (asset item 1) reflected mainly quarterly revaluation adjustments, but also a sale of gold by a Eurosystem central bank (consistent with the Central Bank Gold Agreement of 27 September 2004).

The net position of the Eurosystem in foreign currency (asset items 2 and 3 minus liability items 7, 8 and 9) decreased by EUR 11.5 billion to EUR 154.3 billion. The decrease was due mainly to the effects of the quarterly revaluation of assets and liabilities while customer and portfolio transactions carried out by Eurosystem central banks in the period under review resulted in an increase of EUR 0.1 billion.

The holdings by the Eurosystem of marketable **securities of euro area residents denominated in euro** (asset item 7) increased by EUR 0.4 billion to EUR 70.2 billion. **Banknotes in circulation** (liability item 1) fell by EUR 3.3 billion to EUR 501.3 billion. **Liabilities to general government** (liability item 5.1) decreased by EUR 8.3 billion to EUR 36 billion.

II. 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 13.5 billion to EUR 345 billion. On Thursday, 30 December 2004, a **main refinancing operation** of EUR 283.5 billion matured and a new one of EUR 270 billion was settled.

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

III. 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) decreased by EUR 1.8 billion to EUR 138.6 billion.

IV. 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 2004 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 as follows:

USD 1.3621 per EUR

JPY 139.65 per EUR

Gold: EUR 321.562 per fine oz.

Special drawing rights: EUR 1.1396 per SDR

European Central Bank

Press and Information Division

Kaiserstrasse 29, D-60311 Frankfurt am Main

Tel.: +49 69 1344 7455, Fax: +49 69 1344 7404

Internet: <http://www.ecb.int>

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Consolidated weekly financial statement of the Eurosystem as at 31 December 2004

(EUR millions)

Assets	Balance as at 31 December 2004	Difference compared to last week due to		Liabilities	Balance as at 31 December 2004	Difference compared to last week due to	
		transactions	revaluations			transactions	revaluations
1 Gold and gold receivables	125,730	-10	-4,190	1 Banknotes in circulation	501,256	-3,331	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	23,948	-137	-1,059	2.1 Current accounts (covering the minimum reserve system)	138,624	-1,810	0
2.2 Balances with banks and security investments, external loans and other external assets	129,872	-1,972	-10,129	2.2 Deposit facility	105	-29	0
	153,820	-2,109	-11,188	2.3 Fixed-term deposits	0	0	0
3 Claims on euro area residents denominated in foreign currency	16,969	423	-1,401	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	5	5	0
4.1 Balances with banks, security investments and loans	6,849	-607	4		138,734	-1,834	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	126	0	0
	6,849	-607	4	4 Debt certificates issued	0	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	270,001	-13,497	0	5.1 General government	35,968	-8,324	-2
5.2 Longer-term refinancing operations	75,000	0	0	5.2 Other liabilities	6,224	38	0
5.3 Fine-tuning reverse operations	0	0	0		42,192	-8,286	-2
5.4 Structural reverse operations	0	0	0	6 Liabilities to non-euro area residents denominated in euro	10,912	-282	0
5.5 Marginal lending facility	109	-46	0	7 Liabilities to euro area residents denominated in foreign currency	247	-5	-23
5.6 Credits related to margin calls	3	0	0	8 Liabilities to non-euro area residents denominated in foreign currency			
	345,113	-13,543	0	8.1 Deposits, balances and other liabilities	10,679	-1,752	-810
6 Other claims on euro area credit institutions denominated in euro	3,763	54	1	8.2 Liabilities arising from the credit facility under ERM II	0	0	0
7 Securities of euro area residents denominated in euro	70,244	211	191		10,679	-1,752	-810
8 General government debt denominated in euro	41,317	-190	-26	9 Counterpart of special drawing rights allocated by the IMF	5,573	0	-234
9 Other assets	120,428	-646	1,553	10 Other liabilities	51,443	-945	-6,459
				11 Revaluation accounts	64,842	-1	-5,853
				12 Capital and reserves	58,229	17	-1,673
Total assets	884,233	-16,418	-15,055	Total liabilities	884,233	-16,418	-15,055

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