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Central Bank Balance Sheet at end-September 2005

The following table shows the Central Bank of Iceland's Balance Sheet as at the end of September 2005 with comparative figures for the end of August 2005 and end of December 2004.

The Central Bank's foreign reserves increased by 12.4 b.kr. to 70.7 b.kr. at the end of September (equivalent to 1,148 m. US dollars at the exchange rate at the end of the month). The main reason for the increase was that the part of the proceeds from the privatisation of Iceland Telecom which was paid in foreign currency and had not already been deployed on prepaying Treasury foreign debt was deposited in a foreign currency account in the Central Bank. It will be used to prepay Treasury foreign debt in October.

The króna appreciated by 3.1% in September.

Central Bank claims on deposit money banks increased by 22.4 b.kr. in September and amounted to 49 b.kr. at the end of the month. Claims on other financial institutions increased by 5.2 b.kr. to 13.8 b.kr. at the end of the month.

Market value of listed securities in the Bank's portfolio was 2.1 b.kr. at the end of September.

Central Bank liabilities towards deposit money banks decreased by 3.4 b.kr. in September and amounted to 14.7 b.kr. at the end of the month.

Net deposits of central government increased by 45 b.kr. during the month and stood at 73 b.kr. at the end of September.

Base money decreased by 3.3 b.kr. in September and amounted to 27.4 b.kr. at the end of the month.

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Central Bank of Iceland Balance Sheet September 30, 2005

m.kr.	POSITION 31.12.04	POSITION 31.08.05	POSITION 30.09.05	CHANGE in 2005 in September	
ASSETS:	106,590.3	93,780.3	133,755.2	27,164.9	39,974.9
Foreign assets:	65,709.2	58,500.3	70,885.4	5,176.2	12,385.0
a. Gold	1,707.2	1,752.3	1,868.5	161.2	116.2
b. SDR	7.5	0.3	0.3	-7.2	0.0
c. IMF reserve position	1,765.3	1,710.5	1,657.4	-107.9	-53.2
d. Foreign deposits	23,171.2	12,314.0	25,717.2	2,545.9	13,403.2
e. Foreign securities and treasury bills	38,909.7	42,493.3	41,413.2	2,503.5	-1,080.1
f. Other foreign assets	148.2	230.0	228.9	80.7	-1.1
Deposit money banks:	31,771.3	26,571.6	48,981.2	17,209.8	22,409.6
a. Repurchase agreements	31,771.3	26,571.6	48,981.2	17,209.8	22,409.6
Other financial institutions:	8,993.4	8,597.4	13,786.2	4,792.8	5,188.8
a. Listed securities	3,231.6	2,013.3	2,054.1	-1,177.5	40.8
b. Repurchase agreements	5,761.8	6,584.1	11,732.2	5,970.4	5,148.0
Central government:	32.3	0.0	0.0	-32.3	0.0
a. Listed government bonds	32.3	0.0	0.0	-32.3	0.0
Other assets	84.0	110.9	102.4	18.4	-8.5
LIABILITIES:	106,590.3	93,780.3	133,755.2	27,164.9	39,974.9
Foreign short-term liabilities	142.3	171.8	164.2	21.9	-7.5
Counterpart to IMF deposits	1,560.7	1,510.4	1,463.4	-97.2	-46.9
Notes and coin	11,632.3	12,638.0	12,675.0	1,042.7	37.0
Deposit money banks:	26,925.8	18,118.6	14,744.0	-12,181.8	-3,374.6
a. Deposits	22,519.0	15,842.1	12,453.4	-10,065.7	-3,388.7
b. Collateral deposits for RTGS system	2.9	0.0	0.0	-2.9	0.0
c. Certificates of deposit	4,403.8	2,276.6	2,290.6	-2,113.2	14.1
Other financial institutions:	13,680.8	87.1	89.3	-13,591.4	2.2
a. Deposits	13,680.8	87.1	89.3	-13,591.4	2.2
b. Certificates of deposit	0.0	0.0	0.0	0.0	0.0
Central government:	17,814.8	28,038.6	73,024.7	55,209.9	44,986.1
a. Treasury current account	16,256.8	26,440.2	25,577.9	9,321.1	-862.4
b. Government institutions	519.4	663.0	507.2	-12.1	-155.8
c. Foreign exchange deposits	1,038.6	935.4	14,861.8	13,823.2	13,926.5
d. Tied deposits	0.0	0.0	32,077.8	32,077.8	32,077.8
Other liabilities	635.5	695.9	714.9	79.4	19.0
Estimated net income before tax	.	-1,678.2	-3,318.6	-3,318.6	-1,640.3
Exchange rate gain/loss for the year	.	-1,568.0	-3,235.9	-3,235.9	-1,667.9
Estimated operating profit	.	-110.2	-82.6	-82.6	27.6
Capital and reserves	34,198.2	34,198.2	34,198.2	-	-
Memorandum items					
External reserve (foreign assets, items a.-e.)	65,561.0	58,270.4	70,656.5	5,095.5	12,386.1
External position, net	65,418.7	58,098.6	70,492.3	5,073.6	12,393.6
Net deposits of central government	17,782.4	28,038.6	73,024.7	55,242.3	44,986.1
Other claims, total	40,848.7	35,280.0	62,869.8	22,021.1	27,589.9
Base money	38,558.1	30,756.7	27,419.0	-11,139.1	-3,337.7