

5 January 2011

PRESS RELEASE

CONSOLIDATED FINANCIAL STATEMENT OF THE EUROSYSTEM AS AT 31 DECEMBER 2010

Items not related to monetary policy operations

In the week ending 31 December 2010 the increase of EUR 33 billion in **gold and gold receivables** (asset item 1) reflected quarterly revaluation adjustments.

The net position of the Eurosystem in foreign currency (asset items 2 and 3 minus liability items 7, 8 and 9) increased by EUR 3.7 billion to EUR 180.1 billion. The change was due mainly to the effects of the quarterly revaluation of assets and liabilities, as well as to customer and portfolio transactions carried out by Eurosystem central banks.

On 31 December 2010 a liquidity-providing repurchase transaction of EUR 1.8 billion, with a maturity of three days, was settled, affecting **claims on non-euro area residents denominated in euro** (asset item 4). This transaction was conducted by the ECB in connection with liquidity arrangements in place with central banks outside the euro area.

The holdings by the Eurosystem of marketable **securities other than those held for monetary policy purposes** (asset item 7.2) decreased by EUR 2.5 billion to EUR 322.6 billion, owing mainly to revaluations. **Banknotes in circulation** (liability item 1) decreased by EUR 2.6 billion to EUR 839.7 billion. **Liabilities to general government** (liability item 5.1) decreased by EUR 8.1 billion to EUR 71.7 billion.

On 16 December 2010 the ECB announced that its subscribed capital would be increased by EUR 5 billion with effect from 29 December 2010. To smooth the transfer of the capital payments to the ECB, the euro area national central banks would pay their additional capital contribution of EUR 3.5 billion in three equal annual instalments. The first instalment of EUR 1.2 billion was paid on 29 December 2010. This payment gave rise to intra-Eurosystem balances, but since such balances are always eliminated through the consolidation process no change owing to this capital increase is shown under **capital and reserves** (liability item 12) in the Eurosystem consolidated financial statement. However, the capital increase will be reflected in the ECB's annual accounts, which will be published in March 2011.

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 3.1 billion to EUR 381.5 billion. On Wednesday, 29 December 2010, a **main refinancing operation** of EUR 193.5 billion matured and a new one of EUR 227.9 billion was settled. On the same day, **fixed-term deposits** in an amount of EUR 72.5 billion matured and new deposits were collected in an amount of EUR 60.8 billion, with a maturity of one week.

Recourse to the **marginal lending facility** (asset item 5.5) was virtually nil (compared with EUR 0.8 billion in the previous week), while recourse to the **deposit facility** (liability item 2.2) was EUR 104.5 billion (compared with EUR 55.4 billion in the preceding week).

The holdings by the Eurosystem of **securities held for monetary policy purposes** (asset item 7.1) increased by EUR 0.34 billion to EUR 134.8 billion. This was due to settled purchases of EUR 0.16 billion under the Securities Markets Programme and to quarter-end adjustments of EUR 0.18 billion. Therefore, in the week ending 31 December 2010 the value of the accumulated purchases under the Securities Markets Programme and that of the portfolio held under the covered bond purchase programme totalled EUR 74 billion and EUR 60.9 billion respectively. Both portfolios are accounted for on a held-to-maturity basis.

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 6.6 billion to EUR 212.7 billion.

Quarter-end revaluation of the Eurosystem's assets and liabilities

In line 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 2010 is shown in the additional column "**Difference compared with last week due to quarter-end adjustments**". The gold price and the principal exchange rates used for the revaluation of balances were as follows:

Gold: EUR 1055.418 per fine oz.

USD: 1.3362 per EUR

JPY: 108.65 per EUR

Special drawing rights: EUR 1.1572 per SDR



Consolidated financial statement of the Eurosystem - 04/01/2011

Assets (EUR millions)	Balance	Difference compared with last week due to transactions	Liabilities (EUR millions)	Balance	Difference compared with last week due to transactions
1 Gold and gold receivables	334,384	1	1 Banknotes in circulation	842,295	8,466
2 Claims on non-euro area residents denominated in foreign currency	220,176	573	2 Liabilities to euro area credit institutions related to monetary policy operations denominated in euro	334,700	-44,517
2.1 Receivables from the IMF	70,236	887	2.1 Current accounts (covering the minimum reserve system)	206,123	-60,581
2.2 Balances with banks and security investments, external loans and other external assets	149,940	-314	2.2 Deposit facility	55,371	15,050
3 Claims on euro area residents denominated in foreign currency	25,955	660	2.3 Fixed-term deposits	72,500	500
4 Claims on non-euro area residents denominated in euro	19,084	-546	2.4 Fine-tuning reverse operations	0	0
4.1 Balances with banks, security investments and loans	19,084	-546	2.5 Deposits related to margin calls	706	514
4.2 Claims arising from the credit facility under ERM II	0	0	3 Other liabilities to euro area credit institutions denominated in euro	2,528	415
5 Lending to euro area credit institutions related to monetary policy operations denominated in euro	513,127	-25,703	4 Debt certificates issued	0	0
5.1 Main refinancing operations	193,470	5,656	5 Liabilities to other euro area residents denominated in euro	87,656	9,409
5.2 Longer-term refinancing operations	298,217	-51,457	5.1 General government	79,747	9,344
5.3 Fine-tuning reverse operations	20,623	20,623	5.2 Other liabilities	7,909	65
5.4 Structural reverse operations	0	0	6 Liabilities to non-euro area residents denominated in euro	44,692	1,471
5.5 Marginal lending facility	804	-536	7 Liabilities to euro area residents denominated in foreign currency	1,651	322
5.6 Credits related to margin calls	14	12	8 Liabilities to non-euro area residents denominated in foreign currency	14,381	394
6 Other claims on euro area credit institutions denominated in euro	42,049	4,595	8.1 Deposits, balances and other liabilities	14,381	394
7 Securities of euro area residents denominated in euro	459,550	3,199	8.2 Liabilities arising from the credit facility under ERM II	0	0
7.1 Securities held for monetary policy purposes	134,484	1,128	9 Counterpart of special drawing rights allocated by the IMF	53,665	0
7.2 Other securities	325,065	2,071			

			10 Other liabilities	169,657	4,961
8 General government debt denominated in euro	34,969	0	11 Revaluation accounts	296,740	0
9 Other assets	276,859	-1,857	12 Capital and reserves	78,188	0
			Total liabilities	1,926,154	-19,078
Totals/sub-totals may not add up, due to rounding					
Total assets	1,926,154	-19,078			
Totals/sub-totals may not add up, due to rounding					