

**CONDENSED BALANCE SHEET
BANK VAN DE NEDERLANDSE ANTILLEN
(Central Bank)**

The condensed balance sheet of the Bank van de Nederlandse Antillen (Central Bank) for the month of December 2004 is presented below:

Condensed Balance Sheet (millions of NAf.)					
		Diff. compared with			Diff. compared with
Assets	12-31-04	11-30-04	Liabilities	12-31-04	11-30-04
Claims on nonresidents	1,015.7	-9.1	Liabilities to non-residents	0.4	-4.7
Gold	271.7	34.7	Deposits of non-residents in foreign currency	0.4	-4.7
Official reserves	744.0	-43.8			
Domestic Assets	386.3	16.8	Domestic liabilities	1,401.6	12.6
			Currency in circulation	272.4	8.6
Claims on the government	245.9	25.0	Government deposits	106.5	3.3
Government paper in portfolio	205.0	9.3	Island government of Curaçao	11.7	2.1
			Central government	94.8	1.2
Advanced license fees	25.2	0.0			
Special account central government	15.7	15.7			
Claims on deposit money banks	0.0	0.0	Liabilities to deposit money banks	576.4	-19.0
			Current account balances	50.6	-30.6
			Certificates of Deposit	119.5	10.0
			Required reserves	406.3	1.6
Claims on other sectors	140.4	-8.2	Liabilities to other sectors	171.6	-15.1
Other assets	140.4	-8.2	Deposits other residents	108.4	-23.2
			Other liabilities	63.2	8.1
			Capital and reserves	274.7	34.8
Total Assets	1,402.0	7.7	Total Liabilities	1,402.0	7.7

During the month of December 2004, the Bank directed its monetary policy at a tightening of the money market. This was done through the auctioning of Certificates of Deposit (CD's), i.e. negotiable securities issued by the central bank. By auctioning more CD's the Bank mopped up an amount of NAf.10.0 million in liquid assets from the commercial banks. In addition, the amount of reserves the commercial banks are required to hold increased slightly. The latter was not due to the monetary policy conducted, but the result of an increase in the base upon which these reserves are calculated (the commercial banks' domestic liabilities towards the public).

The monetary base, defined as the total amount of coins and notes in circulation and the current-account balances of the commercial banks at the Bank, dropped during this month. The increase in currency in circulation is characteristic for a holiday month in which public consumption is higher. This increase was offset by the drop in the current account balances of the commercial banks at the Bank. The drop in these balances was partly the result of earlier mentioned monetary policy aimed at a tightening of the money market. In addition, there was a net purchase of foreign exchange by the

commercial banks at the Bank.

Worth mentioning also is the rise in the gold stock as a result of the annual revaluation in December. This revaluation is based on the average price in the international market during the past three years. Due to, among other things, the drop in the exchange rate of the US\$, the price of gold, which is denominated in this currency, rose during this period. At the liabilities side of the balance sheet the increased value is revealed by the increase in the item "Capital and reserves".

February 18, 2005

Bank van de Nederlandse Antillen