

**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 January 2005 is presented below:

Condensed Balance Sheet (millions of NAf.)					
		Diff. compared with			Diff. compared with
Assets	01-31-05	12-31-04	Liabilities	01-31-05	12-31-04
Claims on nonresidents	1,042.0	26.3	Liabilities to non-residents	0.1	-0.3
Gold	271.7	0.0	Deposits of non-residents in foreign currency	0.1	-0.3
Official reserves	770.3	26.3			
Domestic Assets	372.8	-13.5	Domestic liabilities	1,414.5	12.9
			Currency in circulation	256.9	-15.5
Claims on the government	236.4	-9.5	Government deposits	109.1	2.6
Government paper in portfolio	205.0	0.0	Island government of Curaçao	19.1	7.4
Advanced license fees	25.2	0.0	Central government	90.0	-4.8
Special account central government	15.7	15.7			
Claims on deposit money banks	0.0	0.0	Liabilities to deposit money banks	591.6	15.2
			Current account balances	35.4	-15.2
			Certificates of Deposit	129.5	10.0
			Required reserves	426.8	20.4
Claims on other sectors	136.4	-4.0	Liabilities to other sectors	182.2	10.6
Other assets	136.4	-4.0	Deposits other residents	117.4	9.0
			Other liabilities	64.8	1.6
			Capital and reserves	274.7	0.0
Total Assets	1,414.8	12.8	Total Liabilities	1,414.8	12.8

In January 2005, the Bank once again directed its monetary policy at a tightening of the surplus on the money market. This was done through auctioning a larger amount of Certificates of Deposit (CD's), negotiable securities issued by the Bank, and rising the reserve requirement percentage by 0.25 percentage point to 11.50%^[1]. These developments explain the drop in the commercial banks' current account balances at the Bank. This drop was partly offset by the net sale of foreign exchange by the commercial banks to the Bank.

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 by NAf.30.7 million in January. Besides the drop in the current account balances at the Bank, currency in

circulation also dropped. The latter is characteristic for the month following the holiday month of December, in which consumer expenses are high.

March 2, 2005

Bank van de Nederlandse Antillen

[1] The commercial banks are obliged to maintain a blocked deposit at the Bank. The size of this deposit is based on their domestic liabilities.