

**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 July 2004 is presented below:

<b>Condensed Balance Sheet (millions of NAf.)</b>					
		Diff. compared with		Diff. compared with	
<b>Assets</b>	<b>07-31-04</b>	<b>06-30-04</b>	<b>Liabilities</b>	<b>07-31-04</b>	<b>06-30-04</b>
<b>Claims on nonresidents</b>	<b>876.5</b>	<b>-55.6</b>	<b>Liabilities to non-residents</b>	<b>1.6</b>	<b>0.2</b>
Gold	237.0	0.0	Deposits of non-residents in foreign currency	1.6	0.2
Official reserves	639.5	-55.6			
<b>Domestic Assets</b>	<b>346.3</b>	<b>10.5</b>	<b>Domestic liabilities</b>	<b>1,221.3</b>	<b>-45.3</b>
			Currency in circulation	254.7	-2.3
<b>Claims on the government</b>	<b>202.9</b>	<b>12.5</b>	<b>Governments deposits</b>	<b>119.6</b>	<b>15.2</b>
Government paper in portfolio, of which	202.9	40.0	Central government	114.0	23.9
Central government	156.6	20.0	Country Receivers	1.1	-3.6
Island government of Curaçao	46.3	20.0	Special account central government	13.7	13.7
Special account Central Gov't	0.0	-0.7	Multi-annual plan projects	38.3	13.7
Advanced license fees	0.0	-26.8	Advance account projects	31.6	-0.3
			Financial support Holland	28.8	0.0
			Solidarity fund	0.4	0.4
			Island government of Curaçao	5.6	-8.7
<b>Claims on deposit money banks</b>	<b>0.0</b>	<b>0.0</b>	<b>Liabilities to deposit money banks</b>	<b>523.0</b>	<b>-13.2</b>
			Current account balances	52.4	-42.3
			Certificates of Deposit	80.5	14.5
			Required reserves	390.1	14.7
<b>Claims on other sectors</b>	<b>143.4</b>	<b>-2.0</b>	<b>Liabilities to other sectors</b>	<b>84.1</b>	<b>-45.0</b>
Other assets	143.4	-2.0	Deposits other residents	43.8	-3.6
			Other liabilities	40.3	-41.4
			<b>Capital and reserves</b>	<b>240.0</b>	<b>0.0</b>
<b>Total Assets</b>	<b>1,222.8</b>	<b>-45.1</b>	<b>Total Liabilities</b>	<b>1,222.8</b>	<b>-45.1</b>

During the month of July 2004, the balance sheet contracted by NAf.45.1 million. This was due partly to the administrative settlement of advance payments of license fees and profits made to the central government during 2003. After approval of the Bank's annual accounts, an amount of NAf.44.1 million has been charged off the balance sheet, mainly in the items "Other liabilities" and "Advanced license fees". An advance of license fees and profits (NAf.17.3 million), which were related to 2003 were transferred to the central government in July.

The monetary policy conducted by the Bank in July tightened the money market, reflected by the developments in base money. Base money, the sum of the items "Currency in circulation" and "Current account balances" of the deposit money banks, dropped by NAf.44.5 million (12.7%). The drop in the current account balances of the deposit money banks at the Bank was caused by more investments in Certificates of Deposit (CDs) (NAf.14.5 million), a replenishment of the required reserves (NAf.14.7 million) and the purchase of foreign exchange by the by the commercial banks from the Bank. The latter was mainly the result of the net purchase of foreign exchange owing to increased demand, during to the summer holidays.

Conversely, the debt position of the government at the Bank increased by NAf.12.5 million in July, due to the present government policy. This increase in debt is ascribed entirely to a net increase in the item "Government paper in portfolio". Additional liquidity impulses were tempered as the proceeds of these loans were deposited on government accounts at the central bank. The liabilities of the government as indicated by the item "Government deposits" increased by NA.15.2 million in July.

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