

**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 June 2004 is presented below:

| Condensed Balance Sheet (millions of NAf.) | | | | | |
|--|-----------------|---------------------------|---|-----------------|------------------------|
| | | Diff. compared with | | | Diff. compared with |
| Assets | 06-30-04 | 05-31-04 | Liabilities | 06-30-04 | 05-31-04 |
| Claims on nonresidents | 932.1 | -7.4 | Liabilities to non-residents | 1.4 | 0.7 |
| Gold | 237.0 | 0.0 | Deposits of non-residents in foreign currency | 1.4 | 0.7 |
| Official reserves | 695.1 | -7.4 | | | |
| Domestic Assets | 335.9 | -7.6 | Domestic liabilities | 1,266.5 | -15.8 |
| | | | Currency in circulation | 256.9 | 1.2 |
| Claims on the government | 190.5 | -3.3 | Governments deposits | 104.4 | -4.5 |
| Government paper in portfolio, of which | 163.0 | -4.0 | Central government | 90.1 | -10.3 |
| Central government | 136.6 | -4.0 | Country Receivers | 4.8 | 3.7 |
| Island government of Curaçao | 26.3 | 0.0 | Special account central government | 0.0 | -24.1 |
| Special account Central Gov't | 0.7 | 0.7 | Multi-annual plan projects | 24.6 | 11.2 |
| Advanced license fees | 26.8 | 0.0 | Advance account projects | 31.9 | -0.2 |
| | | | Financial support Holland | 28.8 | 0.0 |
| | | | Solidarity fund | 0.0 | -0.9 |
| | | | Island government of Curaçao | 14.3 | 5.8 |
| Claims on deposit money banks | 0.0 | 0.0 | Liabilities to deposit money banks | 536.1 | 0.4 |
| | | | Current account balances | 94.7 | 61.4 |
| | | | Certificates of Deposit | 66.0 | -60.0 |
| | | | Required reserves | 375.4 | -1.1 |
| Claims on other sectors | 145.4 | -4.3 | Liabilities to other sectors | 129.1 | -12.9 |
| Other assets | 145.4 | -4.3 | Deposits other residents | 47.4 | -16.8 |
| | | | Other liabilities | 81.7 | 3.9 |
| | | | Capital and reserves | 240.0 | 0.0 |
| Total Assets | 1,268.0 | -15.0 | Total Liabilities | 1,268.0 | -15.0 |

During the month of June 2004, the balance sheet contracted by NAf.15.0 million. The monetary policy conducted by the Bank in June resulted in more liquidity in the money market. The increased liquidity was translated, among other things, into fewer investments in Certificates of Deposit (CDs) by the commercial banks (NAf.60.0 million). The drop in investments in CDs together with the drop in the required reserves resulted in a rise in the current account balances of the commercial banks at the Bank (NAf.61.4 million). Moreover, the commercial banks used this additional liquidity to buy, on a net basis, more foreign currency, resulting in a drop of NAf.7.4 million in the foreign exchange stock.

The debt position of the government at the Bank decreased by NAf.3.3 million in June because of the amortization of central government's debt paper. The government contributed also to the increase in liquidity in the money market, reflected by the drop in government deposits (NAf.4.5 million). This drop is the result of a decline in the balance of the item "Special account central government", on the one hand, and the receipt of development aid on the "multi-annual plan projects" account, on the other hand.

The "monetary base", defined as the sum of the items "Currency in circulation" and "Current account balances" of the deposit money banks, increased by NAf.62.6 million (21.7%) because of the abovementioned developments. This increase was the result of the increase in the current account balances of the deposit money banks at the Bank and an increase of NAf.1.2 million in currency in circulation.

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