

Condensed Balance Sheet of the Bank van de Nederlandse Antillen
(in millions NAf.)

Assets	30-Jun-05	Difference compared to 31-May-05	Liabilities	30-Jun-05	Difference compared to 31-May-05
Claims on nonresidents	1,253.5	-14.7	Liabilities to nonresidents	5.7	-2.7
Gold	271.6	0.0	Deposits of non-residents in foreign currency	5.7	-2.7
Official reserves	981.9	-14.7			
Domestic assets	401.7	39.0	Domestic liabilities	1,649.4	27.9
			Currency in circulation	261.3	-3.2
Claims on the government	276.8	41.0	Government deposits	152.3	-35.4
Government paper in portfolio	212.8	2.2	Island government of Curaçao	83.8	-26.4
Advanced license fees	50.0	24.8	Central government	68.5	-9.0
Special account central government	14.0	14.0			
			Liabilities to deposit money banks	682.5	58.6
			Current account balances	132.4	46.0
			Certificates of Deposit	105.2	13.8
			Required reserves	444.8	-1.3
Claims on other sectors	124.9	-2.0	Liabilities to other sectors	278.8	8.1
Other assets	124.9	-2.0	Deposits other residents	187.2	3.5
			Other liabilities	91.6	4.6
			Capital and reserves	274.5	-0.2
Total assets	1,655.2	24.3	Total liabilities	1,655.2	24.3

During June 2005, the Bank van de Nederlandse Antillen aimed its monetary policy at tightening the money market. This was done by auctioning a larger amount of Certificates of Deposit (CDs), negotiable securities issued by the Bank. The other main monetary policy instrument, the reserve requirement, was not deployed actively as the reserve requirement percentage remained unchanged. The mere decrease in the outstanding required reserves was due to the drop in the base amount upon which these are calculated.

Base money¹ rose by NAf.42.8 million in the month of June. This rise was entirely due to the increase in the current account balances of the commercial banks, as currency in the hands of the public dropped. Worth mentioning is the relatively large increase in the current account balances despite the tightening of monetary policy. This was due to, among other things, transfers of liquid assets by the island government of Curaçao – partly related to a transfer by the central government in accordance with the regular settlement of mutual claims and liabilities - to its commercial bank accounts and interest payments on bonds by both the central government and the island government of Curaçao. Last mentioned transactions explain largely the changes in the items “Special account central government”, “Island government of Curaçao” and “Central government”.

August 31, 2005

Bank van de Nederlandse Antillen

¹ These are formed by currency in circulation and the current account balances of the commercial banks at the Bank