

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 May 2004 is presented below:

Condensed Balance Sheet (millions of NAf.)					
		Diff. compared with			Diff. compared with
Assets	05-31-04	04-30-04	Liabilities	05-31-04	04-30-04
Claims on nonresidents	939.5	32.7	Liabilities to non-residents	0.7	-0.2
Gold	237.0	0.0	Deposits of non-residents in foreign currency	0.7	-0.2
Official reserves	702.5	32.7			
Domestic Assets	343.5	1.3	Domestic liabilities	1,282.3	34.0
			Currency in circulation	255.7	-5.6
Claims on the government	193.8	-2.1	Governments deposits	108.9	20.1
Government paper in portfolio, of which	167.0	-2.0	Central government	100.4	25.8
Central government	140.6	-2.0	Country Receivers	1.1	0.1
Island government of Curaçao	26.3	0.0	Special account central government	24.1	24.1
Special account Central Gov't	0.0	-0.1	Multi-annual plan projects	13.4	2.1
Advanced license fees	26.8	0.0	Advance account projects	32.1	0.9
			Financial support Holland	28.8	0.0
			Solidarity fund	0.9	-1.4
			Island government of Curaçao	8.5	-5.7
Claims on deposit money banks	0.0	0.0	Liabilities to deposit money banks	535.7	2.3
			Current account balances	33.3	-21.5
			Certificates of Deposit	126.0	9.2
			Required reserves	376.5	14.7
Claims on other sectors	149.7	3.4	Liabilities to other sectors	142.0	17.2
Other assets	149.7	3.4	Deposits other residents	64.2	8.8
			Other liabilities	77.8	8.4
			Capital and reserves	240.0	0.0
Total Assets	1,283.0	34.0	Total Liabilities	1,283.0	34.0

During the month of May 2004, the balance sheet expanded by NAf.34.0 million. Due to a tighter monetary policy stance, the Bank mopped up some of the excess liquidity in the money market. This was translated into an increase in the required reserves (NAf.14.7 million) and more investments in Certificates of Deposit (CDs) by the commercial banks (NAf.9.2 million). Furthermore, NAf.58.0 million of government paper was purchased through the commercial banks. Mentioned purchases of CDs, government paper and the increase in required reserves were financed by the sale of foreign currency to the Bank and the use of part of their current account balances at the Bank. On a net basis, NAf.30.2 million in foreign exchange was sold by the commercial banks.

The debt position of the government at the Bank decreased by NAf.2.1 million in May, mainly through the amortization of central government's debt paper. Through the issuance of new debt paper, a positive balance of NAf.24.1 resulted on the item "Special account central government". The government's net borrowing on the capital market amounted to NAf.63.3 million in May.

Due to mentioned developments, the so-called "monetary base", defined as the sum of the items "Currency in circulation" and "Current account balances" of the deposit money banks, decreased by NAf.27.1 million (8.6%). The reduction in the monetary base, which gives an indication of the liquidity that ends up in the economy as a result of the transactions through the central bank, was the result of the abovementioned drop in the current account balances of the deposit money banks at the Bank and a decline of NAf.5.6 million in currency in circulation.

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