

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

Assets			Liabilities		
	28-Feb-06	31-Jan-06		Difference compared to	28-Feb-06
Claims on nonresidents	1,216.1	118.2	Liabilities to nonresidents	1.7	1.2
Gold	305.5	0.0	Deposits of non-residents in foreign currency	1.7	1.2
Official reserves	910.6	118.2			
Domestic assets	386.2	1.9	Domestic liabilities	1,600.5	118.9
			Currency in circulation	267.0	0.1
Claims on the government	262.2	3.7	Government deposits	100.3	-22.1
Government paper in portfolio	228.1	3.0	Island government of Curaçao	51.1	-16.2
Advanced license fees	33.4	0.0	Central government	49.2	-5.9
Special account central government	0.7	0.7			
			Liabilities to deposit money banks	558.9	9.9
			Current account balances	19.7	-7.1
			Certificates of Deposit	30.0	18.0
			Required reserves	509.2	-1.0
Claims on other sectors	124.0	-1.8	Liabilities to other sectors	365.9	131.0
Other assets	124.0	-1.8	Deposits other residents	283.3	125.6
			Other liabilities	82.6	5.4
			Capital and reserves	308.4	0.0
Total assets	1,602.3	120.1	Total liabilities	1,602.3	120.1

In February 2006, the Bank of the Netherlands Antilles again directed its monetary policy at the tightening of the surplus on the money market. This was pursued through auctioning a larger amount of Certificates of Deposits (CDs), negotiable securities issued by the Bank. The other important monetary policy instrument of the Bank, the reserve requirement, was not deployed. Therefore, the reserve requirement percentage remained unchanged at 12.75%¹. The outstanding required reserves declined slightly though, due to a decrease in the base amount upon which these are calculated.

Base money, defined as the sum of currency in circulation and the commercial banks' current account balances at the Bank, declined by NAF. 7.0 million in February 2006. This decline was attributed to a decrease in the current account balances, caused partly by the higher subscriptions in CDs.

Worth mentioning is the increase of NAF. 118.2 million in the official reserves. This increase can be explained by the transfers by the Dutch Ministry of Internal and Kingdom Affairs in favor of the "Stichting Ontwikkelingsfonds Nederlandse Antillen" (SONA) for financing development aid projects. These transfers led to an increase in the item "Deposits other residents" at the liabilities side of the balance sheet. Furthermore, "Government deposits" dropped mainly as a result of the maturing of time deposits of the island government of Curaçao.

March 21, 2006

¹⁾ The reserve requirement can be adjusted every 2 months. On March, 16, the percentage was increased to 13.0%.