

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

Assets	Difference compared to		Liabilities	Difference compared to	
	31-Aug-06	31-Jul-06		31-Aug-06	31-Jul-06
Claims on nonresidents	1,170.5	-32.7	Liabilities to nonresidents	4.7	-4.3
Gold	305.5	0.0	Deposits of non-residents in foreign currency	4.7	-4.3
Official reserves	865.0	-32.7			
Domestic assets	382.0	3.6	Domestic liabilities	1,547.6	-25.0
			Currency in circulation	273.6	-0.1
Claims on the government	237.4	9.5	Government deposits	61.2	-2.8
Government paper in portfolio	227.8	-0.1	Island government of Curaçao	19.0	7.1
Advanced license fees	0.0	0.0	Central government	42.2	-9.9
Special account central government	9.6	9.6			
Claims on money banks	0.0	0.0	Liabilities to deposit money banks	605.9	-6.3
Current account balances	0.0	0.0	Current account balances	22.4	-3.7
			Certificates of Deposit	40.8	-1.1
			Required reserves	542.7	-1.5
Claims on other sectors	144.6	-5.9	Liabilities to other sectors	298.4	-15.8
Other assets	144.6	-5.9	Deposits other residents	233.3	-21.3
			Other liabilities	65.1	5.5
			Capital and reserves	308.5	0.0
Total assets	1,552.5	-29.1	Total liabilities	1,552.5	-29.1

During August 2006, the Bank did not deem necessary to influence the liquidity on the domestic money market through its monetary policy instruments. The change in the amount of outstanding CDs¹ was due to lower subscriptions by the commercial banks. Moreover, the reserve requirement percentage remained unchanged at 13.0%. The decrease in the required reserves stemmed from a decline in the base amount upon which these are calculated.

Base money² declined by NAF.3.8 million during the month of August. This decline was caused almost entirely by a fall in the current account balances of the commercial banks at the Bank due to the net purchase of foreign currency at the Bank. This transaction is reflected by a decline in the item "Official reserves" on the assets side of the balance sheet.

The decline in the current account balances of the commercial banks was mitigated by a transfer of the government pension fund APNA from its account at the Bank to its account at a commercial bank. Furthermore, maturing time deposits of USONA³ at the Bank were not reinvested but transferred to its accounts at the commercial banks. The transfer by the APNA and the maturing time deposits of USONA are reflected also by a decline in the item "Liabilities to other sectors" on the liabilities side of the balance sheet.

Furthermore, the deposits of the central government declined by NAF.19.5 million. This decline was largely the result of the redemption of government paper by the central government and a transfer to the island government of Curaçao. The latter was related to the regular settlement of mutual obligations between these government entities. The transactions by the central government went through the "Special account central government", turning around its claim on the Bank into a liability to the Bank.

September 26, 2006
Bank van de Nederlandse Antillen

¹ Certificates of deposit.

² Defined as the sum of currency in circulation and the commercial banks' current account balances at the Bank.

³ The foundation that approves and funds development projects.