

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

Assets	31-Dec-05	Difference compared to 30-Nov-05	Liabilities	31-Dec-05	Difference compared to 30-Nov-05
Claims on nonresidents	1,120.9	40.3	Liabilities to nonresidents	3.2	-0.3
Gold	305.5	33.9	Deposits of non-residents in foreign currency	3.2	-0.3
Official reserves	815.4	6.4			
Domestic assets	387.0	25.1	Domestic liabilities	1,504.7	65.8
			Currency in circulation	283.9	11.2
Claims on the government	267.0	30.4	Government deposits	105.1	9.1
Government paper in portfolio	215.1	4.9	Island government of Curaçao	54.7	2.7
Advanced license fees	33.4	7.0	Central government	50.4	6.4
Special account central government	18.5	18.5			
			Liabilities to deposit money banks	555.4	-27.5
			Current account balances	26.2	-23.9
			Certificates of Deposit	42.0	-5.0
			Required reserves	487.2	1.4
Claims on other sectors	120.0	-5.3	Liabilities to other sectors	251.9	39.1
Other assets	120.0	-5.3	Deposits other residents	180.6	35.8
			Other liabilities	71.3	3.3
			Capital and reserves	308.4	33.9
Total assets	1,507.9	65.4	Total liabilities	1,507.9	65.4

In December 2005, the Bank continued its policy directed at tightening the surplus in the money market. The tighter monetary stance is a reaction on the continuing excess liquidity in the banking system, the strong growth in credit extension to the private sector, and the declining trend in official reserves. Although a larger amount of CDs¹ has been offered on the bi-weekly auctions than matured, the outstanding amount of CDs declined, due to a shortfall in subscriptions. This shortfall can be attributed partly to the higher demand for liquidity by the public related to the holidays, reflected by the increase in currency in circulation. The reserve requirement percentage remained unchanged. The increase in the required reserves stemmed from an increase in the base amount upon which these are calculated.

Base money² declined by Naf.12.7 million during the month of December. This decrease was led by a fall in the current account balances of the commercial banks at the Bank, owing to the purchase of government securities and banknotes.

Worth mentioning is the rise in the item “special account central government”, the result of interest and principal payments on debt securities by the central government. The increase in the item “gold” was due to the revaluation of the gold stock.

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¹ Certificates of deposit.

² Base money is defined as the sum of currency in circulation and the commercial banks' current account balances at the Bank.