

Condensed Balance Sheet of the Bank van de Nederlandse Antillen  
February 2005  
(in millions NAf.)

Assets	28-Feb-05	Difference compared to 31-Jan-05	Liabilities	28-Feb-05	Difference compared to 31-Jan-05
<b>Claims on nonresidents</b>	<b>1,083.3</b>	<b>40.5</b>	<b>Liabilities to nonresidents</b>	<b>0.5</b>	<b>0.4</b>
Gold	271.7	0.0	Deposits of non-residents in foreign currency	0.5	0.4
Official reserves	811.6	40.5			
<b>Domestic assets</b>	<b>360.1</b>	<b>-12.5</b>	<b>Domestic liabilities</b>	<b>1,442.9</b>	<b>27.8</b>
			Currency in circulation	252.1	-4.8
<b>Claims on the government</b>	<b>220.9</b>	<b>-15.5</b>	<b>Government deposits</b>	<b>107.8</b>	<b>-1.3</b>
Government paper in portfolio	195.7	-9.3	Island government of Curaçao	26.5	7.4
Advanced license fees	25.2	0.0	Central government	81.3	-8.7
Special account central government	0.0	-6.2			
<b>Claims on deposit money banks</b>	<b>0.0</b>	<b>0.0</b>	<b>Liabilities to deposit money banks</b>	<b>614.7</b>	<b>23.1</b>
			Current account balances	57.0	21.6
			Certificates of Deposit	123.5	-6.0
			Required reserves	434.2	7.4
<b>Claims on other sectors</b>	<b>139.2</b>	<b>3.0</b>	<b>Liabilities to other sectors</b>	<b>193.5</b>	<b>10.7</b>
Other assets	139.2	3.0	Deposits other residents	106.7	11.3
			Other liabilities	86.8	-0.6
			<b>Capital and reserves</b>	<b>274.8</b>	<b>0.1</b>
<b>Total assets</b>	<b>1,443.4</b>	<b>28.0</b>	<b>Total liabilities</b>	<b>1,443.4</b>	<b>28.0</b>

As monetary developments remained fairly stable in February 2005, it was not necessary for the Bank to actively influence the domestic money market through its monetary policy instruments. The changes in Certificates of Deposit (CDs) and the required reserves resulted from autonomous factors. The drop in the amount of outstanding CDs was the result of lower subscriptions at the Bank's auctions<sup>1</sup>. The auctions the Bank organized in February were initially aimed at maintaining the level of outstanding CDs. The increase in the commercial banks' required reserves resulted from an increase in the base amount upon which they are calculated. The reserve requirement percentage remained unchanged at 11.50%.

Base money, defined as the sum of currency in circulation and the commercial banks' current account balances at the Bank, increased by NAf.16.8 million during February 2005. This increase was the result of an increase in aforementioned current account balances and a decrease in banknotes with the public. The Bank aims its monetary policy, among other things, at the development in base money as an increase could indicate potential credit extension. This credit extension on its turn can influence the international reserves.

March 31, 2005

**Bank van de Nederlandse Antillen**

<sup>1</sup> The Bank organizes biweekly auctions with the commercial banks. These negotiable securities issued by the Bank function as a domestic investment alternative.