

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

| Assets | 28-Feb-06 | Difference compared to 31-Jan-06 | Liabilities | 28-Feb-06 | Difference compared to 31-Jan-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.

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