

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

Assets	31-Mar-05	Difference compared to 28-Feb-05	Liabilities	31-Mar-05	Difference compared to 28-Feb-05
Claims on nonresidents	1,153.1	69.8	Liabilities to nonresidents	2.9	2.4
Gold	271.7	0.0	Deposits of non-residents in foreign currency	2.9	2.4
Official reserves	881.4	69.8			
Domestic assets	365.3	5.1	Domestic liabilities	1,515.5	72.5
			Currency in circulation	258.5	6.1
Claims on the government	237.6	3.1	Government deposits	118.5	-7.5
Government paper in portfolio	212.4	3.1	Island government of Curaçao	12.2	-14.3
Advanced license fees	25.2	0.0	Central government	106.3	6.8
Special account central government	0.0	0.0			
Claims on deposit money banks	0.0	0.0	Liabilities to deposit money banks	610.2	-3.9
			Current account balances	58.1	1.7
			Certificates of Deposit	121.4	-2.1
			Required reserves	430.7	-3.5
Claims on other sectors	127.7	2.0	Liabilities to other sectors	253.6	77.9
Other assets	127.7	2.0	Deposits other residents	177.7	71.0
			Other liabilities	75.9	6.9
			Capital and reserves	274.7	-0.1
Total assets	1,518.4	74.9	Total liabilities	1,518.4	74.9

Due to the high level of official reserves and the developments in the domestic money market, the Bank reduced the reserve requirement percentage¹ (from 11.5% to 11.375%) in March 2005. This was the first reduction since January 2002. As a result, NAf.3.5 million in liquid assets became available for the commercial banks. The other main monetary policy instrument the Bank has at its disposal to influence the money market, the auctioning of Certificates of Deposit² (CDs), was not used actively during this month. The drop in the amount of outstanding CDs was the result of an autonomous factor for the Bank, i.e., lower subscriptions by the banks. From a policy point of view, the Bank aimed at maintaining a constant level of outstanding CDs.

Base money is defined as the sum of currency in circulation and the commercial banks' current account balances at the Bank. During the month of March, the amount of base money rose by NAf.7.8 million due mainly to the increase of currency in circulation by NAf.6.1 million. The commercial banks' current account balances increased by a mere NAf.1.7 million.

¹ The commercial banks are obliged to maintain a blocked deposit at the Bank. The size of this deposit is based on their domestic liabilities.

² The Bank organizes biweekly auctions with the commercial banks. These negotiable securities issued by the Bank function as a domestic investment alternative.

Furthermore, the increase of NAf.69.8 million in the official reserves is worth mentioning. This increase can be explained by the transfers by the Dutch Ministry of Domestic and Kingdom Affairs in favor of the “Stichting Ontwikkelingsfonds Nederlandse Antillen” (SONA). These transfers led to the increase in the item “Deposits other residents” at the liabilities side of the balance sheet.

May 25, 2005

Bank van de Nederlandse Antillen