

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

Assets	31-Mar-06	Difference compared to 28-Feb-06	Liabilities	31-Mar-06	Difference compared to 28-Feb-06
Claims on nonresidents	1,213.2	-2.9	Liabilities to nonresidents	11.4	9.7
Gold	305.5	0.0	Deposits of non-residents in foreign currency	11.4	9.7
Official reserves	907.7	-2.9			
Domestic assets	418.3	32.1	Domestic liabilities	1,620.0	19.5
			Currency in circulation	274.4	7.4
Claims on the government	295.1	32.9	Government deposits	95.9	-4.4
Government paper in portfolio	228.1	0.0	Island government of Curaçao	51.8	0.7
Advanced license fees	33.4	0.0	Central government	44.1	-5.1
Special account central government	33.6	32.9			
			Liabilities to deposit money banks	607.8	48.9
			Current account balances	54.2	34.5
			Certificates of Deposit	35.1	5.1
			Required reserves	518.5	9.3
Claims on other sectors	123.2	-0.8	Liabilities to other sectors	333.5	-32.4
Other assets	123.2	-0.8	Deposits other residents	242.5	-40.8
			Other liabilities	91.0	8.4
			Capital and reserves	308.4	0.0
Total assets	1,631.5	29.2	Total liabilities	1,631.5	29.2

In March 2006, the Bank once again directed its monetary policy at the tightening of the surplus in the money market. The reserve requirement percentage¹ was raised by 0.25 percentage point to 13% as a reaction on the continuing strong growth in credit extension to the private sector. The increase in the amount of outstanding Certificates of Deposit (CDs)² was the result of an autonomous factor for the Bank, i.e., higher subscriptions by the commercial banks.

Base money³ rose by Naf.41.9 million during the month of March, due to increases in the current account balances of the commercial banks and in banknotes with the public. Despite the aforementioned tightening of monetary policy, the current account balances showed a relatively high increase. This increase was the result of, among other things, transfers by the island government of Curaçao, interest and principal payments on debt securities by the central government, and the maturing of time deposits of USONA.

Worth mentioning is the rise in claims on the government by Naf.32.9 million, reflected entirely by the change in the item "Special account central government". This increase was, among other things, due to the aforementioned interest and principal payments on debt securities, and the payments of pension and insurance premiums by the central government.

Furthermore, the item "Deposits other residents" declined by Naf.40.8 million, mainly as a result of the purchase by the government pension fund, APNA, of debt securities issued by the island government of Curaçao, and the aforementioned maturing of time deposits of USONA.

April 14, 2006

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 Negotiable securities issued by the Bank.

³ Base money is defined as the sum of currency in circulation and the commercial banks' current account balances at the Bank.