

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

Assets	31-May-06	Difference compared to 30-Apr-06	Liabilities	31-May-06	Difference compared to 30-Apr-06
<b>Claims on nonresidents</b>	<b>1,205.9</b>	<b>-13.3</b>	<b>Liabilities to nonresidents</b>	<b>3.2</b>	<b>2.9</b>
Gold	305.5	0.0	Deposits of non-residents in foreign currency	3.2	2.9
Official reserves	900.4	-13.3			
<b>Domestic assets</b>	<b>361.6</b>	<b>1.2</b>	<b>Domestic liabilities</b>	<b>1,564.2</b>	<b>-15.1</b>
			<b>Currency in circulation</b>	<b>280.5</b>	<b>1.1</b>
<b>Claims on the government</b>	<b>226.9</b>	<b>-5.4</b>	<b>Government deposits</b>	<b>118.8</b>	<b>23.3</b>
Government paper in portfolio	226.9	-1.1	Island government of Curaçao	60.8	8.9
Advanced license fees	0.0	0.0	Central government	58.0	14.4
Special account central government	0.0	-4.3			
<b>Claims on money banks</b>	<b>8.9</b>	<b>8.9</b>	<b>Liabilities to deposit money banks</b>	<b>578.6</b>	<b>-33.5</b>
Current account balances	8.9	8.9	Current account balances	0.0	-56.4
			Certificates of Deposit	45.1	15.1
			Required reserves	533.5	7.8
<b>Claims on other sectors</b>	<b>125.8</b>	<b>-2.3</b>	<b>Liabilities to other sectors</b>	<b>277.8</b>	<b>-6.1</b>
Other assets	125.8	-2.3	Deposits other residents	233.6	-11.8
			Other liabilities	44.2	5.7
			<b>Capital and reserves</b>	<b>308.5</b>	<b>0.1</b>
<b>Total assets</b>	<b>1,567.5</b>	<b>-12.1</b>	<b>Total liabilities</b>	<b>1,567.5</b>	<b>-12.1</b>

In May 2006, the Bank once again directed its monetary policy at tightening the surplus on the money market. This was effectuated through auctioning a larger amount of Certificates of Deposits (CDs), negotiable securities issued by the Bank. The other main monetary policy instrument, the reserve requirement, was not deployed. Therefore, the reserve requirement percentage remained unchanged at 13.0%. The increase in the outstanding required reserves was due to the rise in the base amount upon which these are calculated.

Base money<sup>1</sup> declined by NAf.64.2 million during the month of May. This decline was the result of a drop in the current account balances of the commercial banks at the Bank, as the currency in circulation increased slightly. The drop in the current account balances was, among other things, due to the tightening of monetary policy and the net purchase of foreign currency from the Bank. Latter transaction is reflected by a decline in the item “official reserves” on the assets side of the balance sheet. Furthermore, the commercial banks also bought debt securities issued by the central government and the island government of Curacao.

The net issuance of debt securities by these two entities is reflected by an increase in the item “government deposits” on the liabilities side of the balance sheet. The proceeds of the central government issue were deposited on the “special account central government”, turning around its liability to the Bank into a claim on the Bank.

June 29, 2006  
Bank van de Nederlandse Antillen

<sup>1</sup> Base money is defined as the sum of currency in circulation and the commercial banks’ current account balances at the Bank.