

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

Assets	Difference compared to		Liabilities	Difference compared to	
	30-Sep-05	31-Aug-05		30-Sep-05	31-Aug-05
<b>Claims on nonresidents</b>	<b>1,123.3</b>	<b>-50.1</b>	<b>Liabilities to nonresidents</b>	<b>8.1</b>	<b>1.0</b>
Gold	271.6	0.0	Deposits of non-residents in foreign currency	8.1	1.0
Official reserves	851.7	-50.1			
<b>Domestic assets</b>	<b>361.1</b>	<b>2.1</b>	<b>Domestic liabilities</b>	<b>1,476.1</b>	<b>-48.3</b>
			<b>Currency in circulation</b>	<b>261.8</b>	<b>0.0</b>
<b>Claims on the government</b>	<b>233.9</b>	<b>1.1</b>	<b>Government deposits</b>	<b>150.4</b>	<b>-20.9</b>
Government paper in portfolio	214.5	1.1	Island government of Curaçao	67.3	1.4
Advanced license fees	19.4	0.0	Central government	83.1	-22.3
Special account central government	0.0	0.0			
			<b>Liabilities to deposit money banks</b>	<b>563.0</b>	<b>-19.6</b>
			Current account balances	42.0	-27.6
			Certificates of Deposit	53.5	2.5
			Required reserves	467.5	5.5
<b>Claims on other sectors</b>	<b>127.2</b>	<b>1.0</b>	<b>Liabilities to other sectors</b>	<b>226.4</b>	<b>-7.8</b>
Other assets	127.2	1.0	Deposits other residents	169.1	-11.9
			Other liabilities	57.3	4.1
			<b>Capital and reserves</b>	<b>274.5</b>	<b>0.0</b>
<b>Total assets</b>	<b>1,484.4</b>	<b>-48.0</b>	<b>Total liabilities</b>	<b>1,484.4</b>	<b>-48.0</b>

In September 2005, the Bank directed its monetary policy at a tightening of the surplus on the money market. This was done by raising the reserve requirement percentage by 0.25 percentage point to 11.75%<sup>1</sup> and the auctioning of CDs.<sup>2</sup> These developments partly explain the drop in the commercial banks' current account balances at the Bank.

Base money<sup>3</sup> declined by NAf.27.6 million during the month of September. This decline was led by a fall in the current account balances of the commercial banks at the Bank, owing to the abovementioned developments and purchases of foreign currency from the Bank. Worth mentioning is the drop in central government deposits, which was largely the result of a transfer of liquid assets to the island government of Curaçao. This transfer was related to the regular settlement of mutual obligations between the central government and the island government of Curaçao. The decrease in "official reserves" was due to the sale of foreign currency by the Bank to the commercial banks.

November 3, 2005  
Bank van de Nederlandse Antillen.

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

<sup>2</sup> Certificates of deposit.

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