

**Condensed Balance Sheet**  
**BANK VAN DE NEDERLANDSE ANTILLEN**  
**(Central Bank)**

The Condensed Balance Sheet of the Bank van de Nederlandse Antillen for August 2007 is as follows:  
(millions of NAf.)

Assets	31-Aug-07	Difference Compared to 31-Jul-07	Liabilities	31-Aug-07	Difference Compared to 31-Jul-07
<b>Claims on nonresidents</b>	<b>1,841.2</b>	<b>-21.8</b>	<b>Liabilities to nonresidents</b>	<b>474.9</b>	<b>8.2</b>
Gold	365.8	0.0	Deposits of nonresidents in foreign currency	474.9	8.2
Official reserves	1,475.4	-21.8			
<b>Domestic assets</b>	<b>353.5</b>	<b>13.0</b>	<b>Domestic liabilities</b>	<b>1,719.8</b>	<b>-17.0</b>
			<b>Currency in circulation</b>	<b>307.0</b>	<b>-2.9</b>
<b>Claims on the government</b>	<b>181.7</b>	<b>13.7</b>	<b>Government deposits</b>	<b>4.7</b>	<b>-9.0</b>
Government paper in portfolio	161.0	-5.0	Island government	3.0	-9.6
Advanced license fees	0.0	0.0	Central government	1.7	0.6
Special account central government	20.7	18.7			
<b>Claims on deposit money banks</b>	<b>0.0</b>	<b>0.0</b>	<b>Liabilities to deposit money banks</b>	<b>662.5</b>	<b>0.8</b>
Current account balances	0.0	0.0	Current account balances	16.4	4.8
			Certificates of Deposit	32.1	4.9
			Required reserves	613.9	-9.0
<b>Claims on other sectors</b>	<b>171.8</b>	<b>-0.7</b>	<b>Liabilities to other sectors</b>	<b>375.1</b>	<b>-6.2</b>
Other assets	171.8	-0.7	Deposits other residents	276.3	-18.0
			Other liabilities	98.8	11.8
			<b>Capital and reserves</b>	<b>370.5</b>	<b>0.3</b>
<b>Total assets</b>	<b>2,194.7</b>	<b>-8.8</b>	<b>Total liabilities</b>	<b>2,194.7</b>	<b>-8.8</b>

During August 2007, the Bank directed its monetary policy at absorbing the surplus in the money market. The Bank deployed one of its policy instruments, namely, certificates of deposits (CDs) to mop up excess liquidity. Therefore, the amount of outstanding CDs increased by NAf.4.9 million. The other policy instrument, required reserves, was not actively deployed. The reserve requirement percentage for the commercial banks remained unchanged in August 2007 at 13.125%. However, a drop (NAf.9.0 million) was observed in the required due to a drop in the base<sup>1</sup> 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, increased by NAf.1.9 million during August 2007. This can largely be ascribed to an increase in the deposit money banks' current account balances at the Bank, as banknotes in circulation dropped by NAf.2.9 million.

The net position of the government at the Bank worsened in August 2007. The need for funds by the government was expressed on the one hand, in a drop in the liabilities to the government (NAf.9.0 million), and on the other hand, in an increase in its debt on the "Special account central government" (NAf.18.7 million). Government paper in the Bank's portfolio dropped by NAf.5.0 million, which mitigated the increase in claims to the government.

Finally, the item "official reserves" on the assets side of the balance sheet, dropped by NAf.21.8 million. This was mostly because the commercial banks on average purchased foreign exchange from the Bank.

Willemstad, September 14, 2007  
**Bank van de Nederlandse Antillen**

<sup>1</sup> This base is calculated via the commercial bank's domestic liabilities to the public.