

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

The Condensed Balance Sheet of the Bank van de Nederlandse Antillen for December 2006 is as follows:  
(millions of NAf.)

Assets	31-Dec-06	Difference Compared to 30-Nov-06	Liabilities	31-Dec-06	Difference Compared to 30-Nov-06
<b>Claims on nonresidents</b>	<b>1,613.6</b>	<b>191.9</b>	<b>Liabilities to nonresidents</b>	<b>422.6</b>	<b>257.4</b>
Gold	305.5	0.0	Deposits of nonresidents in foreign currency	422.6	257.4
Official reserves	1,308.1	191.9			
<b>Domestic Assets</b>	<b>424.4</b>	<b>40.9</b>	<b>Domestic Liabilities</b>	<b>1,615.4</b>	<b>-24.6</b>
			<b>Currency in circulation</b>	<b>310.9</b>	<b>19.0</b>
<b>Claims on the government</b>	<b>260.7</b>	<b>37.7</b>	<b>Government Deposits</b>	<b>8.1</b>	<b>-18.2</b>
Government paper in portfolio	247.9	24.9	Island government	6.3	0.6
Advanced license fees	0.0	0.0	Central government	1.8	-18.8
Special account central government	12.8	12.8			
<b>Claims on deposit money banks</b>	<b>0.0</b>	<b>0.0</b>	<b>Liabilities to deposit money banks</b>	<b>659.4</b>	<b>-6.1</b>
Current account balances	0.0	0.0	Current account balances	61.4	-8.2
			Certificates of Deposit	48.9	-5.1
			Required reserves	549.2	7.3
<b>Claims on other sectors</b>	<b>163.7</b>	<b>3.2</b>	<b>Liabilities to other sectors</b>	<b>328.1</b>	<b>-19.3</b>
Other assets	163.7	3.2	Deposits other residents	215.4	-7.8
			Other liabilities	112.7	-11.5
			<b>Capital and reserves</b>	<b>308.9</b>	<b>0.0</b>
<b>Total Assets</b>	<b>2,038.0</b>	<b>232.8</b>	<b>Total Liabilities</b>	<b>2,038.0</b>	<b>232.8</b>

During the month of December 2006, there was no reason for the Bank to actively deploy its policy instruments to influence the domestic money market. On the biweekly CD auctions, the Bank aimed only at the refinancing of maturing CDs<sup>1</sup>. Nevertheless, the amount of outstanding CDs dropped due to a shortfall in subscriptions. The reserve requirement percentage remained unchanged in December. The increase in the required reserves was due to an increase in the base<sup>2</sup> upon which these are calculated.

Base money, defined as the sum of the items “Currency in circulation” and the commercial banks’ “Current account balances” at the Bank, increased by NAf.10.8 million. This increase can be ascribed entirely to the expansion in bank notes in circulation (NAf.19.0 million) due to the higher demand for liquidity by the public in connection with the holidays.

Due mostly to an increase in deposits of non-residents by NAf.257.4 million as a result of funds deposited by a financial institution placed under the emergency measure (FCIB) at the Bank, the balance sheet expanded by NAf.232.8 million. Correspondent banks that terminated their relationship with the FCIB liquidated its accounts and transferred the funds to the Bank.

The official reserves increased in December by NAf.191.9 million. This increase was related mostly to the abovementioned increase in the item “Deposits of nonresidents in foreign currency” because the commercial banks on average purchased foreign exchange from the Bank.

Finally, a drop in government deposits of NAf.18.2 million and an increase in the claims on the government by NAf.37.7 million reflected the increased demand for liquidity by the government in

<sup>1</sup> Certificates of deposit.

<sup>2</sup> This base is calculated via the commercial bank’s domestic liabilities to the public.

December. The claims increased as a result of the net issue of government paper and the use of the overdraft facility at the Bank.

Willemstad, February 1, 2007

**Bank van de Nederlandse Antillen**