

## Condensed Balance Sheet

### BANK VAN DE NEDERLANDSE ANTILLEN

#### (Central Bank)

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

Assets	31-Dec-07	Difference Compared to 30-Nov-07	Liabilities	31-Dec-07	Difference Compared to 30-Nov-07
<b>Claims on nonresidents</b>	<b>2,285.1</b>	<b>309.8</b>	<b>Liabilities to nonresidents</b>	<b>664.5</b>	<b>189.2</b>
Gold	437.6	71.8	Deposits of nonresidents in foreign currency	664.5	189.2
Official reserves	1,847.5	238.0			
<b>Domestic assets</b>	<b>367.8</b>	<b>0.1</b>	<b>Domestic liabilities</b>	<b>1,988.4</b>	<b>120.7</b>
			Currency in circulation	366.4	35.1
<b>Claims on the government</b>	<b>170.5</b>	<b>0.0</b>	<b>Government deposits</b>	<b>17.0</b>	<b>-63.8</b>
Government paper in portfolio	170.5	0.0	Island government	8.1	5.8
Advanced license fees	0.0	0.0	Central government	8.9	-69.6
Special account central government	0.0	0.0			
<b>Claims on deposit money banks</b>	<b>0.0</b>	<b>0.0</b>	<b>Liabilities to deposit money banks</b>	<b>731.0</b>	<b>29.9</b>
Current account balances	0.0	0.0	Current account balances	54.4	10.9
			Certificates of Deposit	53.2	22.6
			Required reserves	623.4	-3.6
<b>Claims on other sectors</b>	<b>197.3</b>	<b>0.1</b>	<b>Liabilities to other sectors</b>	<b>431.2</b>	<b>47.8</b>
Other assets	197.3	0.1	Deposits other residents	309.7	43.8
			Other liabilities	121.5	4.0
			<b>Capital and reserves</b>	<b>442.8</b>	<b>71.7</b>
<b>Total assets</b>	<b>2,652.9</b>	<b>309.9</b>	<b>Total liabilities</b>	<b>2,652.9</b>	<b>309.9</b>

In December 2007, the Bank directed its monetary policy at a tightening of the surplus in the money market. This was done by auctioning a larger amount of Certificates of Deposit (CDs), negotiable securities issued by the Bank. As a result, the amount of outstanding CD's rose by NAf.22.6 million. The other main monetary policy instrument, the reserve requirement, was not deployed actively as the reserve requirement percentage remained unchanged at 13.250%.

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.46.0 million in December. This increase can be ascribed mostly to the increase in banknotes with the public (NAf.35.1 million), due to the higher demand by the public in connection with the holidays.

The net position of the government at the Bank improved in December 2007, as a result of a drop in the liabilities to the government. This decline was accounted for by the central government (NAf.69.6 million), owing largely to debt service payments and a transfer to the island government of Curaçao related to the monthly settlement of claims and debts.

In December, the item "Deposits of nonresidents in foreign currency" on the liabilities side of the balance sheet rose by NAf.189.2 million. This rise can be explained by transfers from the Netherlands in light of the debt relief of the BES-islands<sup>1</sup> and the central government. Furthermore, the "Liabilities to other sectors" increased by NAf. 47.8 million. This surge was due mainly to transfers from the Netherlands in favor of the development fund USONA.

<sup>1</sup> Bonaire, St. Eustatius and Saba

The official reserves expanded by NAF.238.0 million because of the transfers from the Netherlands and the net sale of foreign exchange by the commercial banks to the Bank. Finally, the increase in the item “Gold” can be explained by the annual revaluation of the gold stock. This transaction resulted also in an increase in the item “Capital and reserves” on the liabilities side of the balance sheet.

Willemstad, January 25, 2008  
**Bank van de Nederlandse Antillen**