

## Condensed Balance Sheet

### BANK VAN DE NEDERLANDSE ANTILLEN

#### (Central Bank)

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

Assets	28-Feb-07	Difference Compared to 31-Jan-07	Liabilities	28-Feb-07	Difference Compared to 31-Jan-07
<b>Claims on nonresidents</b>	<b>1,795.4</b>	<b>76.0</b>	<b>Liabilities to nonresidents</b>	<b>438.3</b>	<b>-14.0</b>
Gold	365.8	0.0	Deposits of nonresidents in foreign currency	438.3	-14.0
Official reserves	1,429.6	76.0			
<b>Domestic Assets</b>	<b>409.0</b>	<b>3.6</b>	<b>Domestic Liabilities</b>	<b>1766.1</b>	<b>93.6</b>
			<b>Currency in circulation</b>	<b>291.9</b>	<b>1.2</b>
<b>Claims on the government</b>	<b>211.7</b>	<b>6.6</b>	<b>Government Deposits</b>	<b>17.5</b>	<b>-3.9</b>
Government paper in portfolio	201.5	-3.6	Island government	16.8	11.6
Advanced license fees	0.0	0.0	Central government	0.7	-15.5
Special account central government	10.2	10.2			
<b>Claims on deposit money banks</b>	<b>0.0</b>	<b>0.0</b>	<b>Liabilities to deposit money banks</b>	<b>651.2</b>	<b>-12.0</b>
Current account balances	0.0	0.0	Current account balances	35.3	-21.5
			Certificates of Deposit	45.6	0.1
			Required reserves	570.3	9.4
<b>Claims on other sectors</b>	<b>197.3</b>	<b>-3.0</b>	<b>Liabilities to other sectors</b>	<b>435.3</b>	<b>107.8</b>
Other assets	197.3	-3.0	Deposits other residents	308.0	99.1
			Other liabilities	127.3	8.7
			<b>Capital and reserves</b>	<b>370.2</b>	<b>0.5</b>
<b>Total Assets</b>	<b>2,204.4</b>	<b>79.6</b>	<b>Total Liabilities</b>	<b>2204.4</b>	<b>79.6</b>

During the month of February 2007, the Bank did not actively deploy its monetary policy instruments to influence the domestic money market. The percentage of the reserve requirement, the main instrument, remained unchanged. This instrument is intended to influence the liquidity in the banking system and hence the possibility of excessive credit extension. On the biweekly CD<sup>1</sup> auctions, the Bank aimed only at the refinancing of maturing CDs. As a result, the amount of outstanding CDs remained about the same. The noticed 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 currency in circulation and the commercial banks' current account balances at the Bank, decreased by NAf.20.3 million in February. This drop was due to a decrease in the commercial banks' current account balances.

In February, the liabilities to other sectors increased by NAf.107.8 million. This increase was primarily due to the deposit of development aid funds for the Development Fund of the Netherlands Antilles (SONA) by the Netherlands. Because the deposit was denominated in euros, the official reserves increased by NAf.76.0 million.

Due to an increase in the claims on the government (NAf.6.6 million) and a decline in the liabilities to the government (NAf.3.9 million), the net financial position of the government at the Bank worsened. This worsening was caused by the need for funds (NAf.25.7 million) by the central government in February, turning a credit balance on its overdraft account into a debit balance. On the other hand, the deposits of the island government of Curaçao increased due to the net issuance of treasury paper and a transfer by the central government.

<sup>1</sup> Certificates of deposit

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

Finally, the item “liabilities to nonresidents” decreased by NAf.14.0 million. This decrease was largely the result of the disbursement of funds by the Bank to the creditors of a financial institution placed under the emergency measure (FCIB).

Willemstad, March 27, 2007

**Bank van de Nederlandse Antillen**