

Condensed Balance Sheet

BANK VAN DE NEDERLANDSE ANTILLEN

(Central Bank)

The Condensed Balance Sheet of the Bank van de Nederlandse Antillen for February 2008 is as follows:
(millions of NAf.)

Assets	29-Feb-08	Difference Compared to 31-Jan-08	Liabilities	29-Feb-08	Difference Compared to 31-Jan-08
Claims on nonresidents	2,415.0	138.7	Liabilities to nonresidents	664.1	-4.6
Gold	437.6	0.0	Deposits of nonresidents in foreign currency	664.1	-4.6
Official reserves	1,977.4	138.7			
Domestic assets	346.9	-21.1	Domestic liabilities	2,097.8	122.2
			Currency in circulation	325.6	-4.6
Claims on the government	113.4	-18.5	Government deposits	21.5	-3.1
Government paper in portfolio	113.4	-18.5	Island government	9.8	-4.2
Advanced license fees	0.0	0.0	Central government	11.7	1.1
Special account central government	0.0	0.0			
Claims on deposit money banks	0.0	0.0	Liabilities to deposit money banks	757.2	5.6
Current account balances	0.0	0.0	Current account balances	26.9	-8.8
			Certificates of Deposit	67.2	0.6
			Required reserves	663.1	13.8
Claims on other sectors	233.5	-2.6	Liabilities to other sectors	550.0	124.3
Other assets	233.5	-2.6	Deposits other residents	410.3	116.7
			Other liabilities	139.7	7.6
			Capital and reserves	443.5	0.0
Total assets	2,761.9	117.6	Total liabilities	2,761.9	117.6

During the month of February 2008, 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 at 13.250%. This instrument intends to influence the liquidity of the banks and hence the growth in credit extension. Despite the unchanged percentage, the outstanding amount of required reserves increased because of an increase in domestic liabilities of the banks. On the biweekly CD¹ auctions, the Bank aimed primarily at the refinancing of maturing CDs. Therefore, the amount of outstanding CDs remained about the same.

Base money, defined as the sum of the items “Currency in circulation” and the commercial banks’ “Current account balances” at the Bank, declined by NAf.13.4 million in February. This decline was due to the drop in both banknotes with the public (NAf.4.6 million) and the current account balances of the banks (NAf.8.8 million). The decline in the current account balances was the result of mainly the increase in required reserves.

In February, the liabilities to other sectors increased by NAf.124.3 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.138.7 million.

Due to decreases in the claims on the government (NAf.18.5 million) and the liabilities to the government (NAf.3.1 million), the net financial position of the government at the Bank

¹ Certificates of deposit

improved. This improvement was largely the result of the redemption of debt paper by the central government.

Willemstad, March 18, 2008

Bank van de Nederlandse Antillen