

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

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

Assets	31-Jul-07	Difference Compared to 30-Jun-07	Liabilities	31-Jul-07	Difference Compared to 30-Jun-07
<b>Claims on nonresidents</b>	<b>1,863.0</b>	<b>-9.0</b>	<b>Liabilities to nonresidents</b>	<b>466.7</b>	<b>20.2</b>
Gold	365.8	0.0	Deposits of nonresidents in foreign currency	466.7	20.2
Official reserves	1,497.2	-9.0			
<b>Domestic assets</b>	<b>340.5</b>	<b>1.4</b>	<b>Domestic liabilities</b>	<b>1,736.8</b>	<b>-27.8</b>
			<b>Currency in circulation</b>	<b>309.9</b>	<b>-3.4</b>
<b>Claims on the government</b>	<b>168.0</b>	<b>-8.7</b>	<b>Government deposits</b>	<b>13.7</b>	<b>-8.2</b>
Government paper in portfolio	166.0	0.0	Island government	12.6	-6.7
Advanced license fees	0.0	0.0	Central government	1.1	-1.5
Special account central government	2.0	-8.7			
<b>Claims on deposit money banks</b>	<b>0.0</b>	<b>0.0</b>	<b>Liabilities to deposit money banks</b>	<b>661.7</b>	<b>-28.2</b>
Current account balances	0.0	0.0	Current account balances	11.6	-42.2
			Certificates of Deposit	27.2	-7.1
			Required reserves	622.9	21.0
<b>Claims on other sectors</b>	<b>172.5</b>	<b>10.1</b>	<b>Liabilities to other sectors</b>	<b>381.3</b>	<b>11.8</b>
Other assets	172.5	10.1	Deposits other residents	294.3	1.9
			Other liabilities	87.0	9.9
			<b>Capital and reserves</b>	<b>370.2</b>	<b>0.2</b>
<b>Total assets</b>	<b>2,203.5</b>	<b>-7.6</b>	<b>Total liabilities</b>	<b>2,203.5</b>	<b>-7.6</b>

Monetary policy of the Bank was directed at a tightening of the money market in July 2007. Initially, the Bank tried to mop up excess liquidity through the auctioning of a higher amount of certificates of deposit (CDs). However, due to a shortfall in subscriptions, the amount of outstanding CDs dropped by NAf.7.1 million. As a result of this shortfall, the continuing strong growth in credit extension to the private sector and the increased credit extension to the government, the Bank raised the reserve requirement percentage for the commercial banks by 0.125 percentage point to 13.125% as of July 16. Largely because of this raise, the required reserves increased by NAf.21.0 million.

Base money, defined as the sum of currency in circulation and the commercial banks' current account balances at the Bank, dropped by NAf.45.6 million in July 2007. This drop can largely be ascribed to the drop in the deposit money banks' current account balances at the Bank, the result of mainly the mopping up of liquidity through the increase in the required reserves at the Bank, and the net purchase of foreign exchange by the commercial banks.

The net position of the government at the Bank hardly changed in July. On the one hand, the liabilities to the government dropped (NAf.8.2 million) while, on the other hand, the central government reduced its debt on the "Special account central government" (NAf.8.7 million).

Finally, the item "liabilities to nonresidents" increased by NAf.20.2 million. This increase was the result of mainly funds deposited by a financial institution placed under the emergency measure (FCIB).

Willemstad, August 21, 2007

**Bank van de Nederlandse Antillen**