

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

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

Assets	31-Mar-07	Difference Compared to 28-Feb-07	Liabilities	31-Mar-07	Difference Compared to 28-Feb-07
<b>Claims on nonresidents</b>	<b>1,777.6</b>	<b>-17.8</b>	<b>Liabilities to nonresidents</b>	<b>447.5</b>	<b>9.2</b>
Gold	365.8	0.0	Deposits of nonresidents in foreign currency	447.5	9.2
Official reserves	1,411.8	-17.8			
<b>Domestic assets</b>	<b>404.9</b>	<b>-4.1</b>	<b>Domestic liabilities</b>	<b>1735.0</b>	<b>-31.1</b>
<b>Claims on the government</b>	<b>203.0</b>	<b>8.7</b>	<b>Currency in circulation</b>	296.1	4.2
Government paper in portfolio	196.5	-5.0	<b>Government deposits</b>	<b>6.4</b>	<b>-11.1</b>
Advanced license fees	0.0	0.0	Island government	4.3	-12.5
Special account central government	6.5	-3.7	Central government	2.1	1.4
<b>Claims on deposit money banks</b>	<b>0.0</b>	<b>0.0</b>	<b>Liabilities to deposit money banks</b>	<b>639.4</b>	<b>-11.8</b>
Current account balances	0.0	0.0	Current account balances	18.1	-17.2
			Certificates of Deposit	45.3	-0.3
			Required reserves	576.0	5.7
<b>Claims on other sectors</b>	<b>201.9</b>	<b>4.6</b>	<b>Liabilities to other sectors</b>	<b>422.9</b>	<b>-12.4</b>
Other assets	201.9	4.6	Deposits other residents	292.8	-15.2
			Other liabilities	130.1	2.8
			<b>Capital and reserves</b>	<b>370.2</b>	<b>0.0</b>
<b>Total Assets</b>	<b>2,182.5</b>	<b>-21.9</b>	<b>Total Liabilities</b>	<b>2182.5</b>	<b>-21.9</b>

During the month of March 2007, the balance sheet shortened by NAf.21.9 million. The Bank did not actively deploy its monetary policy instruments to influence the domestic money market. However, due to a drop in the current account balances of the deposit money banks (NAf.17.2 million), the money market tightened.

The percentage of the reserve requirement remained unchanged in March. The observed increase in the required reserves was due to an increase in the base<sup>1</sup> upon which these are calculated. Through this instrument, the Bank strives at a balanced growth in base money. This contributes to a responsible money growth and hence ultimately credit extension. Base money is defined as the sum of currency in circulation and the commercial banks' current account balances. The drop by NAf.13.0 million (4.0%) was due to a decrease in the commercial banks' current account balances at the Bank on the one hand, and an increase in currency in circulation (NAf.4.2 million) on the other hand. On the biweekly CD<sup>2</sup> auctions, the Bank aimed only at the refinancing of maturing CDs, resulting in an almost unchanged amount of outstanding CDs.

The drop in the liabilities to other sectors was primarily due to the withdrawal of funds by the Development Foundation of the Netherlands Antilles (SONA) for the execution of development aid projects.

Due to the liquidity needs of the island government of Curaçao (NAf.12.5 million), the liabilities to the government dropped. On the other hand, the net financial position of the central government improved due to an increase in its deposits and the redemption of part of the debt on its special account (NAf.3.7 million).

<sup>1</sup> This base is calculated via the commercial bank's domestic liabilities to the public

<sup>2</sup> Certificates of deposit

Finally, the item “liabilities to nonresidents” increased by NAf.9.2 million. This was due partly to funds deposited by a financial institution placed under the emergency measure (FCIB). On the assets-side of the balance sheet, the item “official reserves” decreased by NAf.17.8 million, due largely to the net purchase of foreign exchange by the commercial banks.

Willemstad, 24 April 2007

**Bank van de Nederlandse Antillen**