

Condensed Balance Sheet

BANK VAN DE NEDERLANDSE ANTILLEN

(Central Bank)

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

Assets	30-Nov-07	Difference Compared to 31-Oct-07	Liabilities	30-Nov-07	Difference Compared to 31-Oct-07
Claims on nonresidents	1,975.3	43.2	Liabilities to nonresidents	475.3	13.0
Gold	365.8	0.0	Deposits of nonresidents in foreign currency	475.3	13.0
Official reserves	1,609.5	43.2			
Domestic assets	367.7	24.0	Domestic liabilities	1,867.7	54.2
			Currency in circulation	331.3	18.5
Claims on the government	170.5	24.6	Government deposits	80.8	-4.2
Government paper in portfolio	170.5	24.6	Island government	2.3	-34.4
Advanced license fees	0.0	0.0	Central government	78.5	30.2
Special account central government	0.0	0.0			
Claims on deposit money banks	0.0	0.0	Liabilities to deposit money banks	701.1	29.6
Current account balances	0.0	0.0	Current account balances	43.5	12.7
			Certificates of Deposit	30.6	5.1
			Required reserves	627.0	11.8
Claims on other sectors	197.2	-0.6	Liabilities to other sectors	383.4	9.3
Other assets	197.2	-0.6	Deposits other residents	265.9	1.4
			Other liabilities	117.5	7.9
			Capital and reserves	371.1	1.0
Total assets	2,343.0	67.2	Total liabilities	2,343.0	67.2

In November 2007, the Bank directed its monetary policy at a tightening of the surplus in the money market with the aim to dampen the strong credit growth. This was done through the two most important monetary policy instruments at the Bank's disposal: the Certificates of Deposit (CDs) and the reserve requirement.¹ The Bank aimed to mop up surplus liquidity through auctioning a larger amount of CDs. In addition, the Bank raised the reserve requirement percentage by 0.125 percentage point to 13.250%. Partly as result of these steps, the outstanding amounts of CDs and required reserves increased by NAf.5.1 million and NAf.11.8 million, respectively.

Base money, defined as the sum of currency in circulation and the commercial banks' current account balances at the Bank, expanded by NAf.31.2 million during the month of November. This expansion was caused by both components. The increase in the current account balances of the deposit money banks was accounted for partly by the sale of foreign currency to the Bank. As a result, the item "official reserves" increased by NAf.43.2 million.

The net position of the government at the Bank deteriorated in November 2007, caused mainly by a rise in the claims on the government. This rise was the result of an increase in government paper of the central government in the Bank's portfolio (NAf.24.6 million). Moreover, the liabilities to the government dropped (NAf.4.2 million). On the one hand, the liquidity needs of the island government of Curaçao resulted in a decline in the liabilities (NAf.34.4 million). On the other hand, the deposits of the central government increased (NAf.30.2 million), partly because of the net issuance of government paper.

Willemstad, December 28, 2007

Bank van de Nederlandse Antillen

¹ The commercial banks are obliged to maintain a blocked deposit at the Bank. The size of this deposit is based on their domestic liabilities.