

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

The Condensed Balance Sheet of the Bank van de Nederlandse Antillen for October 2006 is as follows:  
(millions of NAf.)

Assets	31-Oct-06	Difference Compared to 30-Sep-06	Liabilities	31-Oct-06	Difference Compared to 30-Sep-06
<b>Claims on nonresidents</b>	<b>1,168.8</b>	<b>-78.2</b>	<b>Liabilities to nonresidents</b>	<b>41.5</b>	<b>-70.5</b>
Gold	305.5	0.0	Deposits of nonresidents in foreign currency	41.5	-70.5
Official reserves	863.3	-78.2			
<b>Domestic Assets</b>	<b>380.5</b>	<b>-10.2</b>	<b>Domestic Liabilities</b>	<b>1507.8</b>	<b>-17.9</b>
			<b>Currency in circulation</b>	<b>278.5</b>	<b>-1.0</b>
<b>Claims on the government</b>	<b>223.9</b>	<b>-4.3</b>	<b>Government Deposits</b>	<b>10.8</b>	<b>-17.4</b>
Government paper in portfolio	223.9	-4.3	Island government	5.5	-10.6
Advanced license fees	0.0	0.0	Central government	5.3	-6.8
Special account central government	0.0	0.0			
<b>Claims on deposit money banks</b>	<b>0.0</b>	<b>0.0</b>	<b>Liabilities to deposit money banks</b>	<b>600.3</b>	<b>2.6</b>
Current account balances	0.0	0.0	Current account balances	2.9	-7.1
			Certificates of Deposit	54.0	7.0
			Required reserves	543.3	2.6
<b>Claims on other sectors</b>	<b>156.6</b>	<b>-5.9</b>	<b>Liabilities to other sectors</b>	<b>309.3</b>	<b>-2.1</b>
Other assets	156.6	-5.9	Deposits other residents	219.8	-8.0
			Other liabilities	89.5	5.9
			<b>Capital and reserves</b>	<b>308.9</b>	<b>0.0</b>
<b>Total Assets</b>	<b>1,549.3</b>	<b>-88.4</b>	<b>Total Liabilities</b>	<b>1549.3</b>	<b>-88.4</b>

During the month of October 2006, the balance sheet expansion that occurred in September 2006 was reversed. Transactions in connection with a financial institution placed under the emergency measure (FCIB), resulted in a drop in deposits of non-residents in foreign currency by NAf.70.5 million. This was accompanied by a simultaneous reduction by NAf.78.2 million in the item “official reserves” on the assets side of the balance sheet. Together with a drop in domestic assets, this led to a contraction of the balance sheet by NAf.88.4 million in October.

The monetary policy conducted by the Bank in October tightened the money market, reflected by the drop in the “Current account balances” of the deposit money banks at the Bank (NAf.7.1 million). This drop was caused mainly by more investments (NAf.7.0 million) in Certificates of Deposit (CDs) auctioned by the Bank and an increase in the reserve requirement of the deposit money banks at the Bank<sup>1</sup>. Base money, the sum of the items “Currency in circulation” and the deposit money banks’ current account balances at the Bank, dropped primarily due to aforementioned developments by NAf.8.1 million.

Finally, the item “Government Deposits” decreased by NAf.17.4 million due to regular monthly payments. The liabilities to the central government dropped as a result of payments made to the island government of Curaçao in connection with the periodic settlement of claims and debt between these two entities and the payment of pension premiums to the government pension fund, APNA. The liabilities to the island government of Curaçao dropped mainly because a time deposit at the Bank was not renewed as a consequence of the liquidity shortage it confronted at the end of the month.

Willemstad, November 15, 2006  
**Bank van de Nederlandse Antillen**

<sup>1</sup> The increase in the required reserves resulted from an increase in the base amount upon which they are calculated. The reserve requirement percentage remained unchanged.