

CONDENSED BALANCE SHEET OF THE BANK VAN DE NEDERLANDSE ANTILLEN

The Condensed Balance Sheet of the Bank van de Nederlandse Antillen for August 2009 is as follows:
(millions of NAf.)

Assets	31-Aug-09	Difference Compared to 31-Jul-09	Liabilities	31-Aug-09	Difference Compared to 31-Jul-09
Claims on nonresidents	3,135.0	-53.6	Liabilities to nonresidents	1,027.80	33.8
Gold	544.9	0.0	Deposits of nonresidents in foreign currency	1,027.80	33.8
Official reserves	2,590.1	-53.6			
Domestic assets	458.8	-9.5	Domestic liabilities	2,566.00	-96.9
			Currency in circulation	352.40	-8.4
Claims on the government	294.9	0.6	Government deposits	264.00	-42.5
Government paper in portfolio	260.1	0.0	Island government	131.10	-7.1
Advanced license fees	34.8	0.6	Central government	132.90	-35.4
Special account central government	0.0	0.0			
Claims on deposit money banks	34.4	-9.6	Liabilities to deposit money banks	1,028.50	-45.3
Current account balances	34.4	-9.6	Current account balances	259.00	-20.8
			Certificates of Deposit	75.70	-14.6
			Required reserves	693.80	-9.9
Claims on other sectors	129.5	-0.5	Liabilities to other sectors	371.70	-0.9
Other assets	129.5	-0.5	Deposits of other residents	273.80	-2.5
			Other liabilities	97.90	1.6
			Capital and reserves	549.40	0.2
Total assets	3,593.8	-63.1	Total liabilities	3,593.8	-63.1

In August 2009, the Bank continued to loosen its monetary policy. This was reflected by a reduction in the reserve requirement percentage by 25 basis points reaching 11.25%. The reduction resulted in a net decline of the item “Required reserves” by NAf.9.9 million. During the bi-weekly auctions of Certificates of Deposit (CDs), the Bank focused only on refinancing maturing CDs. However, the subscriptions fell short, causing a NAf.14.6 million drop in the outstanding amount of CDs.

A drop in both the net current account balances of the commercial banks at the Bank (NAf.11.2 million) and the amount of currency in circulation (NAf.8.4 million) resulted in a decline of the amount of base money¹ by NAf.19.6 million. The drop in the net current account balances was related to, among other things, the net purchase of foreign exchange at the Bank to invest abroad at a higher yield. The net purchase of foreign exchange was also reflected by the NAf.53.6 million decline in the assets item “Official reserves”.

Worth mentioning is the decline in the item “Government deposits” by NAf.42.5 million, due mainly to a drop in the deposits of the central government at the Bank. The latter was related to, among other things, the repayment of matured debt securities. In addition, the central government made a contribution towards the FZOG² to the SVB and transfers to the island territory of Curaçao related to the regular settlement of mutual obligations

¹ Base money is defined as the sum of “currency in circulation” and the commercial banks’ current account balances at the Bank.

² The health care fund for retired civil servants.

between the two entities. The deposits of the island territory of Curaçao declined as well. This decline was also related to the repayment of debt securities, partly offset by the aforementioned transfer by the central government related to the regular settlement of mutual obligations.

Finally, the item “Liabilities to nonresidents” increased by NAf.33.8 million due to, among other things, transfers related to the debt relief by the Dutch Ministry of the Interior and Kingdom Relations to its account at the Bank.

Willemstad, September 22, 2009

Bank van de Nederlandse Antillen