

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

The Condensed Balance Sheet of the Bank van de Nederlandse Antillen for December 2008 is as follows:  
(millions of NAf.)

Assets	31-Dec-08	Difference Compared to 30-Nov-08	Liabilities	31-Dec-08	Difference Compared to 30-Nov-08
<b>Claims on nonresidents</b>	<b>3,041.9</b>	<b>508.1</b>	<b>Liabilities to nonresidents</b>	<b>1031.2</b>	<b>404.2</b>
Gold	544.9	107.3	Deposits of nonresidents in foreign currency	1031.2	404.2
Official reserves	2,497.0	400.8			
<b>Domestic assets</b>	<b>461.9</b>	<b>81.9</b>	<b>Domestic liabilities</b>	<b>2,472.6</b>	<b>185.8</b>
			Currency in circulation	383.4	37.0
<b>Claims on the government</b>	<b>329.8</b>	<b>80.5</b>	<b>Government deposits</b>	<b>96.3</b>	<b>9.6</b>
Government paper in portfolio	265.4	81.9	Island government	5.4	-0.8
Advanced license fees	64.4	-1.4	Central government	90.9	10.4
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>922.7</b>	<b>19.3</b>
Current account balances	0.0	0.0	Current account balances	99.7	40.7
			Certificates of Deposit	108.0	-8.6
			Required reserves	715.0	-12.8
<b>Claims on other sectors</b>	<b>132.1</b>	<b>1.4</b>	<b>Liabilities to other sectors</b>	<b>521.7</b>	<b>13.7</b>
Other assets	132.1	1.4	Deposits other residents	388.8	6.8
			Other liabilities	132.9	6.9
			<b>Capital and reserves</b>	<b>548.5</b>	<b>106.2</b>
<b>Total assets</b>	<b>3,503.8</b>	<b>590.0</b>	<b>Total liabilities</b>	<b>3,503.8</b>	<b>590.0</b>

During the month of December 2008, the balance sheet expanded by NAf.590.0 million. This expansion can primarily be explained by the annual revaluation of the gold stock of the Netherlands Antilles (NAf.107.3 million) and the payment of NAf.464.2 million by the Netherlands towards debt relief in the Netherlands Antilles. This payment resulted in a net increase of NAf.404.2 million in the item “Deposits of nonresidents in foreign currency”. At the same time, the item “Official reserves” on the assets side of the balance sheet increased by NAf.400.8 million on a net basis.

The liquidity surplus in the domestic money market induced the Bank once more to aim its monetary policy at contracting this market in December. In order to achieve this objective, the Bank auctioned a larger amount of Certificates of Deposit (CDs) among the commercial banks. However, as was the case in November, the subscriptions fell short, causing a NAf.8.6 million drop in the outstanding amount of CDs. The required reserves declined by NAf.12.8 million, despite maintaining the reserve requirement percentage at 13.25%. This decline was the result of a fall in the domestic liabilities of the commercial banks.<sup>1</sup>

The current account balances of the commercial banks at the Bank increased by NAf.40.7 million in December, due to the net redemption of CDs, the fall in the required reserves, and the net sale of foreign exchange to the Bank. In addition, the value of currency in circulation increased by NAf.30.7 million, because of the greater demand for cash by the public in

<sup>1</sup> The required reserves are derived from the commercial banks’ domestic liabilities.

connection with the holidays. As a consequence of these increases, the amount of base money rose by NAf.77.7 million.<sup>2</sup>

The net position of the government at the Bank deteriorated by NAf.70.9 million during December, on account of a rise in the claims on the government (NAf.80.5 million). This rise can be attributed to the net purchase of debt securities issued by both the central government and the island government of Curaçao. As a result of this net purchase, the government paper in the Bank's portfolio increased by NAf.81.9 million.

Worth mentioning further is the NAf.106.2 million growth in the item "Capital and reserves" on the liabilities side of the balance sheet. This growth was caused by the revaluation of the gold stock of the Netherlands Antilles.

Willemstad, January 27, 2009

**Bank van de Nederlandse Antillen**

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<sup>2</sup> Base money is defined as the sum of 'currency in circulation' and the commercial banks' current account balances at the Bank.