

Condensed Balance Sheet

BANK VAN DE NEDERLANDSE ANTILLEN

(Central Bank)

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

Assets	28-Feb-09	Difference Compared to 31-Jan-09	Liabilities	28-Feb-09	Difference Compared to 31-Jan-09
Claims on nonresidents	3,109.2	67.9	Liabilities to nonresidents	993.1	-71.3
Gold	544.9	0.0	Deposits of nonresidents in foreign currency	993.1	-71.3
Official reserves	2,564.3	67.9			
Domestic assets	506.6	25.5	Domestic liabilities	2,622.7	164.7
			Currency in circulation	353.2	-0.4
Claims on the government	342.1	20.6	Government deposits	185.3	132.6
Government paper in portfolio	260.4	0.0	Island government	6.2	1.7
Advanced license fees	81.7	20.6	Central government	179.1	130.9
Special account central government	0.0	0.0			
Claims on deposit money banks	33.2	5.2	Liabilities to deposit money banks	965.9	-35.5
Current account balances	33.2	5.2	Current account balances	134.4	-41.7
			Certificates of Deposit	98.7	-14.3
			Required reserves	732.8	20.5
Claims on other sectors	131.3	-0.3	Liabilities to other sectors	569.1	68.3
Other assets	131.3	-0.3	Deposits of other residents	419.6	53.9
			Other liabilities	149.5	14.4
			Capital and reserves	549.2	-0.3
Total assets	3,615.8	93.4	Total liabilities	3,615.8	93.4

In February 2009, the liquidity surplus in the domestic money market persisted. Considering the ample import coverage and the fact that private credit extension did not expand excessively, the Bank decided once more to relax its monetary policy. As was the case in January, the required reserve percentage was cut by 0.25%, bringing the percentage to 12.75%. Notwithstanding this cut, the required reserves¹ increased by NAf.20.5 million due to a surge in the domestic liabilities of the commercial banks. During the biweekly auctions of Certificates of Deposit (CDs), the Bank focused only on refinancing the maturing CDs. However, due to a shortfall in subscriptions, the amount of outstanding CDs dropped by NAf.14.3 million.

The decline in the monetary base² (NAf.47.3 million) can mainly be ascribed to the net decrease in the commercial banks' current account balances at the Bank (NAf.46.9 million). This decrease was caused by the rise in the required reserves and the net purchase of foreign exchange by the commercial banks.

The item "Deposits of other residents" grew by NAf.53.9 million due to a transfer made by the Netherlands in favor of USONA, the foundation in charge of approving and funding development projects in the Netherlands Antilles. This transfer contributed to the rise in the item "Official reserves" on the assets side of the balance sheet (NAf.67.9 million).

¹ The required reserves are derived from the commercial banks' domestic liabilities.

² The monetary base is defined as the sum of 'currency in circulation' and the commercial banks' current account balances at the Bank.

In February, the government's net position at the Bank improved by NAf.112.0 million. This improvement was primarily caused by transfers made by the Dutch ministry of the Interior and Kingdom Relations (BZK) to the central government towards the debt relief. These transactions resulted in a net decrease of NAf.71.3 million in the item "Deposits of nonresidents in foreign currency" on the one hand, and a NAf.130.9 million net increase in the central government's deposits with the Bank, on the other hand. Finally, the assets item "Advanced license fees" grew by NAf.20.6 million due to an advance payment of license fees to the central government.

Willemstad, March 23, 2009

Bank van de Nederlandse Antillen