

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

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

Assets	31-Jul-08	Difference Compared to 30-Jun-08	Liabilities	31-Jul-08	Difference Compared to 30-Jun-08
Claims on nonresidents	2,446.8	57.5	Liabilities to nonresidents	638.2	8.8
Gold	437.6	0.0	Deposits of nonresidents in foreign currency	638.2	8.8
Official reserves	2,009.2	57.5			
Domestic assets	342.7	3.0	Domestic liabilities	2,151.3	51.7
			Currency in circulation	331.5	-5.0
Claims on the government	212.1	3.3	Government deposits	4.8	-4.9
Government paper in portfolio	152.0	0.0	Island government	4.0	-4.5
Advanced license fees	43.9	1.2	Central government	0.8	-0.4
Special account central government	16.2	2.1			
Claims on deposit money banks	0.0	0.0	Liabilities to deposit money banks	850.9	-4.3
Current account balances	0.0	0.0	Current account balances	31.3	-8.5
			Certificates of Deposit	115.5	4.4
			Required reserves	704.1	-0.2
Claims on other sectors	130.6	-0.3	Liabilities to other sectors	522.0	65.9
Other assets	130.6	-0.3	Deposits other residents	422.8	51.5
			Other liabilities	99.2	14.4
			Capital and reserves	442.1	0.0
Total assets	2,789.5	60.5	Total liabilities	2,789.5	60.5

In July 2008, the monetary policy conducted by the Bank continued to be aimed at tightening the money market. In order to absorb the excess liquidity, the Bank auctioned additional Certificates of Deposit (CDs). As a result, the value of outstanding CDs rose by NAf.4.4 million. The other main monetary policy instrument of the Bank, the reserve requirement, was not deployed. Therefore, the required reserve ratio remained unchanged at 13.25%. The slight decrease in the required reserves stemmed from a decline in the base amount¹ from which they are calculated.

Base money decreased by NAf.13.5 million as a result of decreases in both of its two components: currency in circulation fell by NAf.5.0 million whereas the current account balances of the commercial banks fell by NAf.8.5 million. The decline in the commercial banks' current account balances can be explained, among other things, by the net purchase of CDs.

The item "Deposits other residents" rose by NAf.51.5 million, as a result of an influx of development funds from the Netherlands in favor of USONA, the foundation that approves and funds development projects in the Netherlands Antilles. This transfer was responsible for a large part of the increase in the item "Official reserves" on the assets side of the balance sheet (NAf.57.5 million).

Lastly, the net position of the government at the Bank deteriorated by NAf.8.2 million during the month of July 2008. The decline in government deposits (NAf.4.9 million) was mainly due to the payment of interest and principal on debt securities by the island

¹ The base amount is derived from the commercial banks' domestic liabilities.

government of Curaçao. The claims on the government increased by NAf.3.3 million, primarily as a result of the central government using its overdraft facility at the Bank.

Willemstad, September 5, 2008

Bank van de Nederlandse Antillen