

Condensed Balance Sheet

BANK VAN DE NEDERLANDSE ANTILLEN

(Central Bank)

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

Assets	31-Jul-09	Difference Compared to 30-Jun-09	Liabilities	31-Jul-09	Difference Compared to 30-Jun-09
Claims on nonresidents	3,188.6	33.6	Liabilities to nonresidents	994.0	-14.6
Gold	544.9	0.0	Deposits of nonresidents in foreign currency	994.0	-14.6
Official reserves	2,643.7	33.6			
Domestic assets	468.3	-27.0	Domestic liabilities	2,662.9	21.2
			Currency in circulation	360.8	-3.9
Claims on the government	294.3	-47.8	Government deposits	306.5	87.5
Government paper in portfolio	260.1	-0.1	Island government	138.2	8.3
Advanced license fees	34.2	-47.7	Central government	168.3	79.2
Special account central government	0.0	0.0			
Claims on deposit money banks	44.0	21.0	Liabilities to deposit money banks	1073.8	-1.5
Current account balances	44.0	21.0	Current account balances	279.8	19.2
			Certificates of Deposit	90.3	-8.4
			Required reserves	703.7	-12.3
Claims on other sectors	130.0	-0.2	Liabilities to other sectors	372.6	-60.9
Other assets	130.0	-0.2	Deposits of other residents	276.3	29.2
			Other liabilities	96.3	-90.1
			Capital and reserves	549.2	0.0
Total assets	3,656.9	6.6	Total liabilities	3,656.9	6.6

During the month of July 2009, the Bank continued to relax its monetary policy. As a consequence, the reserve requirement percentage was cut by 25 basis points to 11.50%. During the biweekly auctions of Certificates of Deposit (CDs), the Bank focused only on refinancing maturing CDs. However, the subscriptions fell short, causing a NAf.8.4 million drop in the outstanding amount of CDs.

Base money dropped by NAf.5.7 million due to a decline in both the currency in circulation (NAf.3.9 million) and the net current account balances of the commercial banks at the Bank (NAf.1.8 million). The net current account balances declined because the increase in claims of the Bank on commercial banks offset the decline in current account deposits. The claims on the assets side of the balance sheet increased by NAf.21.0 million because the commercial banks used the overdraft facility of the Bank. The current account deposits on the liabilities side rose by NAf.19.2 million due to the net redemption of CDs, the fall in the required reserves, and the net sale of foreign exchange to the Bank. The latter caused the increase by NAf.33.6 million in the item "Official reserves".

The government's net position at the Bank improved by NAf.135.5 million as the claims on the government by the Bank dropped while government deposits increased. The decline in the claims on the government can be ascribed to the settlement of license fee advances by the Bank to the central government. In addition, the Bank made license fee advances to the central government over the year 2009.

The governments' deposits increased largely due to transfers made by the Dutch Ministry of the Interior and Kingdom Relations (BZK) to both the central government and the island territory of Curaçao towards the debt relief. In addition, the deposits of the central government at the Bank increased due to the aforementioned settlement of licence fee advances by the Bank and the advanced payments of licence fee over the year 2009. The rise in the deposits of the island territory of Curaçao was due also to transfers from the central government related to the regular settlement of mutual obligations between the two entities, partly offset by the repayment of matured debt securities.

Worth mentioning is the decline in "Liabilities to other sectors" by NAf.60.9 million due to the abovementioned settlement of licence fee advances and advanced payments on licence fee over the year 2009 by the Bank to the central government. This decline was partly offset by an increase in "Deposits of other residents", reflecting mainly transfers from the public pension fund APNA from its commercial bank accounts to its account at the Bank.

Lastly, the item "Liabilities to nonresidents" dropped by NAf.14.6 million, mainly as a result of transfers made by the Dutch Ministry of BZK towards the payment of arrears of the BES islands¹.

Willemstad, 25 August 2009

Bank van de Nederlandse Antillen

¹ Bonaire, Saba and St. Eustatius.