

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

The Condensed Balance Sheet of the Bank van de Nederlandse Antillen for July 2010 is as follows:  
(millions of NAf.)

Assets	31-Jul-10	Difference Compared to 30-Jun-10	Liabilities	31-Jul-10	Difference Compared to 30-Jun-10
<b>Claims on nonresidents</b>	<b>3,310.1</b>	<b>390.3</b>	<b>Liabilities to nonresidents</b>	<b>794.8</b>	<b>13.4</b>
Gold	637.5	0.0	Deposits of nonresidents in foreign currency	794.8	13.4
Official reserves	2,672.6	390.3			
<b>Domestic assets</b>	<b>625.5</b>	<b>-18.5</b>	<b>Domestic liabilities</b>	<b>2,468.9</b>	<b>350.3</b>
			<b>Currency in circulation</b>	<b>362.8</b>	<b>-4.7</b>
<b>Claims on the government</b>	<b>258.4</b>	<b>-1.9</b>	<b>Government deposits</b>	<b>645.7</b>	<b>298.1</b>
Government paper in portfolio	251.6	-2.1	Island government	144.4	-88.8
Advanced license fees	4.8	0.0	Central government	466.4	391.2
Other	2.1	0.2	Government agencies and institutions	34.9	-4.3
<b>Claims on deposit money banks</b>	<b>9.7</b>	<b>-0.4</b>	<b>Liabilities to deposit money banks</b>	<b>1,071.3</b>	<b>27.5</b>
Current account balances	9.7	-0.4	Current account balances	432.7	45.8
			Certificates of Deposit	65.1	0.0
			Required reserves	573.5	-18.3
<b>Claims on other sectors</b>	<b>357.4</b>	<b>-16.1</b>	<b>Liabilities to other sectors</b>	<b>389.1</b>	<b>29.4</b>
Other assets	357.4	-16.1	Deposits of other residents	348.0	29.3
			Other liabilities	41.1	0.1
			<b>Capital and reserves</b>	<b>672.0</b>	<b>8.1</b>
<b>Total assets</b>	<b>3,935.6</b>	<b>371.8</b>	<b>Total liabilities</b>	<b>3,935.6</b>	<b>371.8</b>

In July 2010, the Bank relaxed its monetary policy further. Therefore, the reserve requirement percentage was cut by 25 basis points to 8.50%, resulting in a net decrease of NAf.18.3 million in the item “Required reserves.” During the biweekly auctions of Certificates of Deposit (CDs), the Bank focused only on refinancing of maturing CDs. Hence, the outstanding amount of CDs remained unchanged.

The amount of base money<sup>1</sup> grew by NAf.41.5 million, due to the net increase in the current account balances of the commercial banks at the Bank (NAf.46.2 million). This increase was the result of, among other things, the redemption of government securities and the drop in the required reserves.

During July 2010, the net position of the government at the Bank improved by NAf.300.0 million, the result of a gain in the deposits of the central government (NAf.391.2 million). The latter can be ascribed to a transfer made by the Dutch ministry of the Interior and Kingdom Relations (BZK) towards the debt relief. The rise in the deposits of the central government was due also to the transfer of collected dividend tax by the Netherlands related to the tax arrangement for the Kingdom (BRK). These transactions contributed also to the increase in the item “Official reserves” on the assets side of the balance sheet. The deposits of the island government of Curaçao at the Bank shrank by NAf.88.8 million, due largely to interest and principal payments on debt securities.

<sup>1</sup> Base money is defined as the sum of ‘currency in circulation’ and the commercial banks’ current account balances at the Bank.

Worth mentioning is the gain in the deposits of other residents (NAf.29.3 million). This increase was, among other things, due to the redemption of debt securities and payments of pension premiums by the central government towards the government pension fund, APNA.

The item “Deposits of nonresidents in foreign currency” rose by NAf.13.4 million, the result of deposits towards the institution placed under the emergency measure, First Curaçao International Bank (FCIB).

Finally, the item “Other assets” decreased by NAf.16.1 million. This decrease was the result of net transactions from the Bank’s account with the Central Bank of the Netherlands (DNB).

Willemstad, August 23, 2010

**Bank van de Nederlandse Antillen**