

Condensed Balance Sheet

BANK VAN DE NEDERLANDSE ANTILLEN

(Central Bank)

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

Assets	30-Jun-08	Difference Compared to 31-May-08	Liabilities	30-Jun-08	Difference Compared to 31-May-08
Claims on nonresidents	2,389.3	-49.8	Liabilities to nonresidents	629.4	1.6
Gold	437.6	0.0	Deposits of nonresidents in foreign currency	629.4	1.6
Official reserves	1,951.7	-49.8			
Domestic assets	339.9	20.9	Domestic liabilities	2,099.8	-30.5
			Currency in circulation	336.5	-0.4
Claims on the government	209.0	20.2	Government deposits	9.7	-7.8
Government paper in portfolio	152.0	0.0	Island government	8.5	-7.7
Advanced license fees	42.9	11.0	Central government	1.2	-0.1
Special account central government	14.1	9.2			
Claims on deposit money banks	0.0	0.0	Liabilities to deposit money banks	855.2	-0.2
Current account balances	0.0	0.0	Current account balances	39.8	-25.6
			Certificates of Deposit	111.1	11.8
			Required reserves	704.3	13.6
Claims on other sectors	130.9	0.7	Liabilities to other sectors	456.3	-22.4
Other assets	130.9	0.7	Deposits other residents	371.3	-21.8
			Other liabilities	85.0	-0.6
			Capital and reserves	442.1	0.3
Total assets	2,729.2	-28.9	Total liabilities	2,729.2	-28.9

During the month of June 2008, the balance sheet shortened by NAf. 28.9 million. The Bank maintained its monetary policy aimed at a tightening of the surplus in the money market. In line with this policy the Bank auctioned more Certificates of Deposits (CDs). Consequently, the amount of outstanding CDs rose by NAf. 11.8 million. The required reserves increased by NAf. 13.6 million, due to a rise in the domestic liabilities of the commercial banks. The reserve requirement percentage remained unchanged at 13.25%.

Base money¹ decreased by NAf. 26.0 million, mainly because of a drop in the current account balances of the commercial banks at the Bank (NAf. 25.6 million). The decline in the current account balances can be explained by the increases in the amounts of outstanding CDs and required reserves, as well as the net purchase of foreign exchange at the Bank. This net purchase of foreign exchange caused the item “Official reserves” on the assets side of the balance sheet to fall by NAf. 49.8 million.

The item “Liabilities to other sectors” decreased by NAf. 22.4 million. This drop can be attributed to the withdrawal of funds by the development agency USONA for the financing of projects.

Lastly, the claims on the government increased by NAf. 20.2 million, largely due to the license fees advanced to the central government by the Bank (NAf. 11.0 million) and payments made by the central government to, among other things, the public pension fund, APNA, and the Social Security Bank, SVB, through its “Special account” (NAf. 9.2 million).

¹ Base money is the sum of ‘currency in circulation’ and the commercial banks’ current account balances at the Bank.

The increase in the claims on the government together with the decline in government deposits (NAf. 7.8 million) contributed to a deterioration in the net position of the government at the Bank.

Willemstad, July 21, 2008

Bank van de Nederlandse Antillen