

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

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

Assets	30-Jun-10	Difference Compared to 31-May-10	Liabilities	30-Jun-10	Difference Compared to 31-May-10
<b>Claims on nonresidents</b>	<b>2,919.8</b>	<b>55.3</b>	<b>Liabilities to nonresidents</b>	<b>781.4</b>	<b>5.0</b>
Gold	637.5	0.0	Deposits of nonresidents in foreign currency	781.4	5.0
Official reserves	2,282.3	55.3			
<b>Domestic assets</b>	<b>643.9</b>	<b>8.9</b>	<b>Domestic liabilities</b>	<b>2,118.6</b>	<b>73.1</b>
			<b>Currency in circulation</b>	<b>367.5</b>	<b>4.4</b>
<b>Claims on the government</b>	<b>260.3</b>	<b>-0.3</b>	<b>Government deposits</b>	<b>347.6</b>	<b>63.5</b>
Government paper in portfolio	253.6	0.0	Island government	233.2	73.2
Advanced license fees	4.8	0.0	Central government	75.2	-9.5
Other	1.9	-0.3	Government agencies and institutions	39.2	-0.1
<b>Claims on deposit money banks</b>	<b>10.2</b>	<b>10.2</b>	<b>Liabilities to deposit money banks</b>	<b>1,043.8</b>	<b>-3.2</b>
Current account balances	10.2	10.2	Current account balances	386.9	7.4
			Certificates of Deposit	65.1	0.0
			Required reserves	591.8	-10.6
<b>Claims on other sectors</b>	<b>373.4</b>	<b>-0.9</b>	<b>Liabilities to other sectors</b>	<b>359.8</b>	<b>8.4</b>
Other assets	373.4	-0.9	Deposits of other residents	318.7	9.2
			Other liabilities	41.1	-0.8
			<b>Capital and reserves</b>	<b>663.7</b>	<b>-13.8</b>
<b>Total assets</b>	<b>3,563.7</b>	<b>64.2</b>	<b>Total liabilities</b>	<b>3,563.7</b>	<b>64.2</b>

In June 2010, the Bank relaxed its monetary policy further. Therefore, the reserve requirement percentage was cut by 25 basis points to 8.75%, resulting in a net decrease of NAf.10.6 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.

Base money, defined as the sum of “currency in circulation” and the commercial banks’ net current account balances at the Bank, rose by NAf.1.6 million. This increase was related to the growth in the value of the currency in circulation. By contrast, the net current account balances declined because the increase in claims of the Bank on the commercial banks offset the gain in current account deposits. The claims on the assets side of the balance sheet increased by NAf.10.2 million because the commercial banks used the overdraft facility of the Bank.

During June 2010, the net position of the government at the Bank improved by NAf.63.8 million. This improvement was the result of an increase in the deposits of the island territory of Curaçao (NAf.73.2 million) at the Bank. This gain can primarily 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 Island Territory of Curaçao was also attributable to transfers from the central government related to the regular settlement of mutual obligations between the two government entities. The deposits of the central government at the Bank declined by NAf.9.5 million, due to debt settlements.

Worth mentioning further is the increase in the deposits of other residents (NAf.9.2 million). This increase was largely caused by the transfers made by the central government towards the government pension fund, APNA.

During the month of June 2010, the item “Capital en reserves” dropped by NAf.13.8 million. This drop was due to the administrative settlement of advance payments of license fees and profit to the central government.

Lastly, the increase in the item “Official reserves” on the assets side of the balance sheet (NAf.55.3 million) was caused by, among other things, the net sale of foreign reserves by the commercial banks to the Bank and the aforementioned transfers made by the Dutch Ministry of the Interior and Kingdom Relations (BZK) towards the debt relief.

Willemstad, July 23, 2010

**Bank van de Nederlandse Antillen**