

Condensed Balance Sheet

BANK VAN DE NEDERLANDSE ANTILLEN

(Central Bank)

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

Assets	31-Mar-09	Difference Compared to 28-Feb-09	Liabilities	31-Mar-09	Difference Compared to 28-Feb-09
Claims on nonresidents	3,067.4	-41.8	Liabilities to nonresidents	979.4	-13.7
Gold	544.9	0.0	Deposits of nonresidents in foreign currency	979.4	-13.7
Official reserves	2,522.5	-41.8			
Domestic assets	508.8	2.3	Domestic liabilities	2,596.8	-25.8
			Currency in circulation	348.5	-4.7
Claims on the government	341.7	-0.3	Government deposits	195.4	10.1
Government paper in portfolio	260.3	-0.1	Island government	1.4	-4.8
Advanced license fees	81.4	-0.2	Central government	194.0	14.9
Special account central government	0.0	0.0			
Claims on deposit money banks	34.0	0.8	Liabilities to deposit money banks	1120.4	154.5
Current account balances	34.0	0.8	Current account balances	304.0	169.6
			Certificates of Deposit	98.7	0.0
			Required reserves	717.7	-15.1
Claims on other sectors	133.1	1.8	Liabilities to other sectors	383.3	-185.7
Other assets	133.1	1.8	Deposits of other residents	228.5	-191.1
			Other liabilities	154.8	5.4
			Capital and reserves	549.2	0.0
Total assets	3,576.2	-39.5	Total liabilities	3,576.2	-39.5

In March 2009, the Bank decided to further relax its monetary policy. The pivotal factor in making this decision was the solid import coverage. The Bank reduced the reserve requirement percentage – the main monetary policy instrument – by 0.25% for the third consecutive month, bringing it to 12.50%. As a result of this reduction, the required reserves¹ dropped by NAf.15.1 million. The Bank's other monetary policy tool, the auctioning of Certificates of Deposit (CDs), was also deployed less actively. During the biweekly auctions, the Bank only accepted subscriptions to keep the outstanding amount of CDs at the same level as in February (NAf.98.7 million).

The monetary base² grew by NAf.164.1 million in March due to an increase in the current account balances of the commercial banks at the Bank (NAf.168.8 million). The increase in these current account balances was caused, among other things, by the drop in the required reserves and transfers made by USONA³ from its account with the Bank to its commercial bank accounts. The transfers by USONA are reflected in the NAf.191.1 million decrease in the item "Deposits of other residents".

The net position of the government at the Bank improved by NAf.10.4 million, as a result of a rise in the central government's deposits at the Bank (NAf.14.9 million). This rise can primarily be ascribed to a transfer made by the Dutch ministry of the Interior and Kingdom Relations (BZK) to the central government towards the debt relief. The deposits of the

¹ The required reserves are derived from the commercial banks' domestic liabilities.

² The monetary base is defined as the sum of 'currency in circulation' and the commercial banks' current account balances at the Bank.

³ USONA is the foundation that approves and funds development projects in the Netherlands Antilles.

island government of Curaçao at the Bank shrank by NAf.4.8 million in March due to the net redemption of debt securities.

The decline in the item “Deposits of nonresidents in foreign currency” (NAf.13.7 million) is mainly due to net transactions carried out by the Central Bank of Aruba and the institution placed under the emergency measure, First Curaçao International Bank (FCIB). Finally, the item “Official reserves” on the assets side of the balance sheet fell by NAf.41.8 million as a consequence of the net purchase of foreign exchange by the commercial banks.

Willemstad, May 29, 2009

Bank van de Nederlandse Antillen