

Condensed Balance Sheet

BANK VAN DE NEDERLANDSE ANTILLEN

(Central Bank)

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

Assets	31-May-08	Difference Compared to 30-Apr-08	Liabilities	31-May-08	Difference Compared to 30-Apr-08
Claims on nonresidents	2,439.1	-12.1	Liabilities to nonresidents	627.8	-12.4
Gold	437.6	0.0	Deposits of nonresidents in foreign currency	627.8	-12.4
Official reserves	2,001.5	-12.1			
Domestic assets	319.0	6.0	Domestic liabilities	2,130.3	6.3
			Currency in circulation	336.9	-18.1
Claims on the government	188.8	6.4	Government deposits	17.5	-58.3
Government paper in portfolio	152.0	0.0	Island government	16.2	-2.1
Advanced license fees	31.9	1.5	Central government	1.3	-56.2
Special account central government	4.9	4.9			
Claims on deposit money banks	0.0	0.0	Liabilities to deposit money banks	855.4	52.9
Current account balances	0.0	0.0	Current account balances	65.4	19.9
			Certificates of Deposit	99.3	25.2
			Required reserves	690.7	7.8
Claims on other sectors	130.2	-0.4	Liabilities to other sectors	478.7	30.3
Other assets	130.2	-0.4	Deposits other residents	393.1	15.8
			Other liabilities	85.6	14.5
			Capital and reserves	441.8	-0.5
Total assets	2,758.1	-6.1	Total liabilities	2,758.1	-6.1

In May 2008, the Bank continued to direct its monetary policy at tightening the surplus in the money market. This was done by auctioning a larger amount of Certificates of Deposit (CDs), negotiable securities issued by the Bank. As a result, the amount of outstanding CD's rose by NAf.25.2 million. The other main monetary policy instrument, the reserve requirement, was not deployed actively as the reserve requirement percentage remained unchanged at 13.250%. Nevertheless, the required reserves increased (NAf.7.8 million) because of the higher domestic liabilities of the banks.

Base money, defined as the sum of the items "Currency in circulation" and the commercial banks' "Current account balances" at the Bank, rose by NAf.1.8 million in May. This slight increase was due to a gain in the current account balances of the banks (NAf.19.9 million), offsetting the decline in banknotes with the public (NAf.18.1 million). The outstanding amount of banknotes went back to normal after the higher demand related to the holidays at the end of April and the beginning of May.

The net position of the government at the Bank deteriorated by NAf.64.7 million in May. This decline was the consequence of an increase in the claims on the government by NAf.6.4 million, on the one hand, and a decrease in the liabilities to the government by NAf.58.3 million, on the other hand. The drop in deposits of the central government (NAf.56.2 million) was largely the result of the net redemption of debt securities.

In May, the item "Liabilities to other sectors" increased by NAf.30.3 million. This increase was, among other things, due to the payment of interest on debt securities and pension premiums by the central government to the pension fund APNA.

Finally, the item “official reserves” on the assets side of the balance sheet, decreased by NAf.12.1 million. This decline was caused primarily by the net purchase of foreign exchange by the commercial banks from the Bank. Furthermore, the item “deposits of nonresidents in foreign currency” on the liabilities side of the balance sheet dropped (NAf.12.4 million) because the Bank transferred part of the blocked deposits of a financial institution placed under the emergency measure, First Curaçao International Bank, to the account holders.

Willemstad, July 7, 2008

Bank van de Nederlandse Antillen