

Condensed Balance Sheet

BANK VAN DE NEDERLANDSE ANTILLEN

(Central Bank)

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

Assets	31-May-09	Difference Compared to 30-Apr-09	Liabilities	31-May-09	Difference Compared to 30-Apr-09
Claims on nonresidents	3,086.3	37.7	Liabilities to nonresidents	1015.1	23.4
Gold	544.9	0.0	Deposits of nonresidents in foreign currency	1015.1	23.4
Official reserves	2,541.4	37.7			
Domestic assets	501.2	-6.2	Domestic liabilities	2,572.4	8.1
			Currency in circulation	355.7	-5.0
Claims on the government	344.9	1.7	Government deposits	212.0	40.5
Government paper in portfolio	260.2	-0.1	Island government	103.5	72.5
Advanced license fees	84.7	1.8	Central government	108.5	-32.0
Special account central government	0.0	0.0			
Claims on deposit money banks	26.2	-6.6	Liabilities to deposit money banks	995.8	-71.5
Current account balances	26.2	-6.6	Current account balances	168.6	-85.2
			Certificates of Deposit	98.7	0.0
			Required reserves	728.5	13.7
Claims on other sectors	130.1	-1.3	Liabilities to other sectors	459.7	43.9
Other assets	130.1	-1.3	Deposits of other residents	288.7	31.9
			Other liabilities	171.0	12.0
			Capital and reserves	549.2	0.2
Total assets	3,587.5	31.5	Total liabilities	3,587.5	31.5

In May 2009, the Bank relaxed its monetary policy further. The motivation for this relaxation was the solid import coverage. In addition, the sustained liquidity surplus in the domestic money market has not resulted in excessive credit expansion. Hence, the reserve requirement percentage was cut by 25 basis points to 12%. Notwithstanding this cut, the required reserves increased by NAf.13.7 million as the domestic liabilities of the commercial banks increased. During the biweekly auctions of Certificates of Deposit (CDs), the Bank focused only on refinancing the maturing CDs.

Base money¹ dropped by NAf.83.6 million during the month of May, due mainly to a decline of the net current account balances of the commercial banks at the Bank by NAf.78.6 million. The fall in the current account balances can largely be ascribed to a transfer made by a commercial bank from its account with the Bank to abroad, and the rise in the required reserves.

The government's net position at the Bank improved by NAf.38.8 million as a result of an increase by NAf.72.5 million in the deposits of the Island Territory of Curaçao at the Bank. This increase can primarily be ascribed to a transfer made by the Dutch ministry of the Interior and Kingdom Relations (BZK) to the Island Territory of Curaçao towards the debt relief. The rise in the deposits of the Island Territory of Curaçao was also related 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, on the contrary,

¹ The sum of currency in circulation and the commercial banks' current account balances at the Bank

dropped by NAf.32.0 million, among other things, due to the aforementioned transfers between the two government entities.

The item “Deposits of other residents” rose by NAf.31.9 million, largely because of transfers made by the public pension fund, APNA, from its commercial bank accounts to its account at the Bank.

Worth mentioning also is the increase by NAf.23.4 million in the item “Deposits of nonresidents in foreign currency” related to net transactions carried out by the institution placed under the emergency measure, First Curaçao International Bank (FCIB), and transfers from the Netherlands to the account of the Dutch Ministry of BZK at the Bank towards the debt relief. These transactions contributed to the rise in the item “Official reserves” on the assets side of the balance sheet (NAf.37.7 million).

Willemstad, 25 juni 2009

Bank van de Nederlandse Antillen