

Condensed Balance Sheet

BANK VAN DE NEDERLANDSE ANTILLEN

(Central Bank)

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

Assets	30-Nov-08	Difference Compared to 31-Oct-08	Liabilities	30-Nov-08	Difference Compared to 31-Oct-08
Claims on nonresidents	2,533.8	81.8	Liabilities to nonresidents	627.0	0.9
Gold	437.6	0.0	Deposits of nonresidents in foreign currency	627.0	0.9
Official reserves	2,096.2	81.8			
Domestic assets	380.0	28.9	Domestic liabilities	2,286.8	109.8
			Currency in circulation	346.4	7.5
Claims on the government	249.3	28.4	Government deposits	86.7	65.8
Government paper in portfolio	183.5	31.5	Island government	6.2	-6.9
Advanced license fees	65.8	2.3	Central government	80.5	72.7
Special account central government	0.0	-5.4			
Claims on deposit money banks	0.0	0.0	Liabilities to deposit money banks	903.4	34.4
Current account balances	0.0	0.0	Current account balances	59.0	38.9
			Certificates of Deposit	116.6	-20.5
			Required reserves	727.8	16.0
Claims on other sectors	130.7	0.5	Liabilities to other sectors	508.0	2.1
Other assets	130.7	0.5	Deposits other residents	382.0	-4.9
			Other liabilities	126.0	7.0
			Capital and reserves	442.3	0.0
Total assets	2,913.8	110.7	Total liabilities	2,913.8	110.7

In November 2008, the Bank did not consider it necessary to further tighten the domestic money market. The main monetary policy tool, the reserve requirement, was not actively applied as its percentage remained unchanged at 13.25%. However, due to an increase in the domestic liabilities of the commercial banks, the item “Required reserves” rose by NAf.16.0 million. The Bank’s other monetary policy tool, the auctioning of Certificates of Deposit (CDs), was applied less extensively. Despite the lower quantity of CDs auctioned, the subscriptions fell short, contributing to the NAf.20.5 million decline in the outstanding amount of CDs.

The amount of base money¹ rose by NAf.46.4 million in November. This rise was caused by an increase in both the current account balances of the commercial banks (NAf.38.9 million) and the value of the currency in circulation (NAf.7.5 million). The growth in the commercial banks’ current account balances can be explained by the net sale of foreign exchange to the Bank. This net sale of foreign exchange contributed to part of the NAf.81.8 million increase in the item “Official reserves” on the assets side of the balance sheet.

The net position of the government at the Bank improved by NAf.37.4 million, mainly due to the net issue of debt securities by the central government. As a result of this net issue of securities, the Bank’s liabilities to the central government rose by NAf.72.7 million. The rise in the item “Claims on the government” was primarily due to an increase in the government paper in the Bank’s portfolio (NAf.31.5 million), the result of a subscription on a bond issue of the central government. Lastly, the liabilities of the Bank to the island government of Curaçao dropped by NAf.6.9 million, due to the redemption of debt securities and transfers made by the island government to its account at a local commercial bank.

Willemstad, December 30, 2008

Bank van de Nederlandse Antillen

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