

Condensed Balance Sheet

BANK VAN DE NEDERLANDSE ANTILLEN

(Central Bank)

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

Assets	31-Oct-08	Difference Compared to 30-Sep-08	Liabilities	31-Oct-08	Difference Compared to 30-Sep-08
Claims on nonresidents	2,452.0	-23.3	Liabilities to nonresidents	626.1	-8.7
Gold	437.6	0.0	Deposits of nonresidents in foreign currency	626.1	-8.7
Official reserves	2,014.4	-23.3			
Domestic assets	351.1	-1.2	Domestic liabilities	2,177.0	-15.8
			Currency in circulation	338.9	11.8
Claims on the government	220.9	-0.7	Government deposits	20.9	13.0
Government paper in portfolio	152.0	0.0	Island government	13.1	10.0
Advanced license fees	63.5	21.3	Central government	7.8	3.0
Special account central government	5.4	-22.0			
Claims on deposit money banks	0.0	0.0	Liabilities to deposit money banks	869.0	-30.8
Current account balances	0.0	0.0	Current account balances	20.1	-39.7
			Certificates of Deposit	137.1	9.6
			Required reserves	711.8	-0.7
Claims on other sectors	130.2	-0.5	Liabilities to other sectors	505.9	-10.1
Other assets	130.2	-0.5	Deposits other residents	386.9	-13.2
			Other liabilities	119.0	3.1
			Capital and reserves	442.3	0.3
Total assets	2,803.1	-24.5	Total liabilities	2,803.1	-24.5

During the month of October 2008, the Bank continued to steer its monetary policy towards tightening the domestic money market. By deploying one of its monetary policy instruments, i.e., the auctioning of Certificates of Deposit (CDs), the Bank absorbed part of the liquidity surplus in the money market. Consequently, the amount of outstanding CDs with the commercial banks rose by NAf.9.6 million to NAf.137.1 million. The main monetary policy instrument, the reserve requirement, was not actively deployed as its percentage remained unchanged at 13.25%.

Base money¹ decreased by NAf.27.9 million due to a drop in the commercial banks' current account balances at the Bank (NAf.39.7 million). This drop can be explained by the net purchase of CDs and foreign exchange at the Bank. As a result of the net purchase of foreign exchange, the item "Official reserves" on the assets side of the balance sheet fell by NAf.23.3 million.

The net position of the government at the Bank improved by NAf.13.7 million in October, as both the accounts of the central government and the island government of Curaçao were replenished. As a result of the license fees advanced to the central government, the government's liability to the Bank on its "Special account" turned into a claim on the Bank. The account balance of the island government of Curaçao at the Bank rose by NAf.10.0 million, primarily due to transfers from the central government related to the regular settlement of mutual obligations between the two government entities.

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

Worth mentioning further is the NAF.13.2 million decrease in the item “Deposits other residents”, the result of transfers made by USONA, the foundation that approves and funds development projects in the Netherlands Antilles. Finally, the item “Liabilities to nonresidents” declined by NAF.8.7 million because of transactions carried out by the Central Bank of Aruba.

Willemstad, December 2, 2008

Bank van de Nederlandse Antillen