

## CONDENSED BALANCE SHEET OF THE BANK VAN DE NEDERLANDSE ANTILLEN

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

Assets	31-Oct-09	Difference Compared to 30-Sep-09	Liabilities	31-Oct-09	Difference Compared to 30-Sep-09
<b>Claims on nonresidents</b>	<b>3,210.6</b>	<b>77.5</b>	<b>Liabilities to nonresidents</b>	<b>1,018.90</b>	<b>42.0</b>
Gold	544.9	0.0	Deposits of nonresidents in foreign currency	1,018.90	42.0
Official reserves	2,665.7	77.5			
<b>Domestic assets</b>	<b>506.6</b>	<b>35.0</b>	<b>Domestic liabilities</b>	<b>2,698.30</b>	<b>70.5</b>
			<b>Currency in circulation</b>	352.10	-5.7
<b>Claims on the government</b>	<b>313.5</b>	<b>15.8</b>	<b>Government deposits</b>	<b>422.60</b>	<b>151.8</b>
Government paper in portfolio	260.0	0.0	Island government	136.50	-33.3
Advanced license fees	53.5	15.8	Central government	286.10	185.1
Special account central government	0.0	0.0			
<b>Claims on deposit money banks</b>	<b>64.4</b>	<b>20.0</b>	<b>Liabilities to deposit money banks</b>	<b>986.60</b>	<b>-84.7</b>
Current account balances	64.4	20.0	Current account balances	252.60	-66.1
			Certificates of Deposit	75.80	0.1
			Required reserves	658.20	-18.7
<b>Claims on other sectors</b>	<b>128.7</b>	<b>-0.8</b>	<b>Liabilities to other sectors</b>	<b>387.60</b>	<b>9.1</b>
Other assets	128.7	-0.8	Deposits of other residents	276.30	0.7
			Other liabilities	111.30	8.4
			<b>Capital and reserves</b>	<b>549.40</b>	<b>0.0</b>
<b>Total assets</b>	<b>3,717.2</b>	<b>112.5</b>	<b>Total liabilities</b>	<b>3,717.2</b>	<b>112.5</b>

During the month of October 2009, the Bank continued to relax its monetary policy. The reserve requirement percentage was cut by 25 basis points to 10.75%, leading to a decline by NAf.18.7 million in the item "Required reserves". During the biweekly auctions of Certificates of Deposit (CDs), the Bank focused only on refinancing maturing CDs. Therefore, the item "Certificates of Deposit" remained practically unchanged.

Base money dropped by NAf.91.8 million, due mainly to a decline in the net current account balances of the commercial banks at the Bank (NAf.86.1 million). Furthermore, the currency in circulation dropped by NAf.5.7 million. The decline in the net current account balances was largely the result of transfers by the commercial banks to abroad to invest at a higher yield. In addition, the central government made transfers from its commercial bank accounts to its accounts central at the Bank.

The government's net position at the Bank improved by NAf.136.0 million because of an increase in the government deposits at the Bank, partly offset by a rise in the claims on the government. The latter can be ascribed to the payment of license fee advances over the year 2009 to the central government by the Bank. The government deposits increased because of a rise in the deposits of the central government reflecting transfers by the Dutch Ministry of the Interior and Kingdom Relations (BZK) towards the debt relief, the mentioned license fee advances and the transfers by the central government from its commercial bank accounts.

On the contrary, the deposits of the island territory of Curacao dropped, due to, among other things, the net repayment of debt securities. This repayment was partly offset by the

transfer of debt relief funds by the Dutch Ministry of BZK, and transfers from the central government related to the regular settlement of mutual obligations between the two entities.

Moreover, worth mentioning is the increase in the item “Liabilities to non-residents” by NAf.42.0 million, due largely to transactions by the Ministry of BZK. The deposits of this ministry at the Bank rose as a result of transfers from the Netherlands towards the debt relief and the repayment of matured debt securities issued by the island territory of Curaçao that were held by the Dutch State<sup>1</sup>. These increases were partly offset by transfers to the central government and the island government of Curacao towards the debt relief.

Lastly, the item “Official reserves” on the assets side of the balance sheet increased by NAf.77.5 million, mainly as a result of mentioned transfers of debt relief funds by the Dutch Ministry of BZK.

Willemstad, November 16, 2009

**Bank van de Nederlandse Antillen**

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<sup>1</sup> According to the national decree Temporary Financial Supervision, both the country of the Netherlands Antilles and the island governments of Curacao and Sint Maarten are allowed to issue debt securities. When these issues occur through open tenders, the Dutch State Treasury Agent (DSTA) is entitled to a standard subscription against the current yield on Dutch government securities.