

CONDENSED BALANCE SHEET OF THE BANK VAN DE NEDERLANDSE ANTILLEN

The Condensed Balance Sheet of the Bank van de Nederlandse Antillen for March 2010 is as follows:
(millions of NAf.)

Assets	31-Mar-10	Difference Compared to 28-Feb-10	Liabilities	31-Mar-10	Difference Compared to 28-Feb-10
Claims on nonresidents	2,973.1	4.6	Liabilities to nonresidents	777.0	-118.4
Gold	637.5	0.0	Deposits of nonresidents in foreign currency	777.0	-118.4
Official reserves	2,335.6	4.6			
Domestic assets	633.6	-30.4	Domestic liabilities	2,120.4	85.7
			Currency in circulation	378.0	26.4
Claims on the government	261.2	-12.9	Government deposits	235.6	1.1
Government paper in portfolio	253.8	-1.1	Island government	132.3	-16.1
Advanced license fees	4.8	-12.0	Central government	68.6	21.4
Other	2.6	0.2	Government agencies and institutions	34.7	-4.2
Claims on deposit money banks	0.0	-17.0			
Current account balances	0.0	-17.0	Liabilities to deposit money banks	1,104.2	-13.4
			Current account balances	414.1	4.8
Claims on other sectors	372.4	-0.6	Certificates of Deposit	69.2	0.1
Other assets	372.4	-0.6	Required reserves	621.0	-18.3
			Liabilities to other sectors	402.6	71.7
			Deposits of other residents	361.2	71.2
			Other liabilities	41.5	0.5
			Capital and reserves	709.4	6.9
Total assets	3,606.7	-25.8	Total liabilities	3,606.7	-25.8

In March 2010, the Bank relaxed its monetary policy further. Therefore, the reserve requirement percentage was cut by 25 basis points to 9.50%, resulting in a net decrease of NAf.18.3 million in the item "Required reserves." Furthermore, during the biweekly auctions of Certificates of Deposit (CDs), the Bank focused only on refinancing the maturing CDs. Hence, the outstanding amount of CDs remained practically unchanged.

Base money, defined as the sum of currency in circulation and the commercial banks' current account balances at the Bank, rose by NAf.48.2 million in March. This increase was related to a rise in the currency in circulation (NAf.26.4 million) as well as the net current account balances of the commercial banks (NAf.21.8 million). The net current account balances improved because the commercial banks paid off their overdraft at the Bank. This resulted in a decrease in the claims of the Bank on commercial banks on the assets side of the balance sheet (NAf.17.0 million). The increase in currency in circulation can be explained by higher demand by the banks in anticipation of the increased need for cash by the public related to the public holidays in the beginning of April.

The improvement of the government's net position at the Bank (NAf.14.0 million) was, among other things, related to a drop in the claims of the Bank on government agencies and institutions. This was because of a debt settlement of Curaçao's road foundation (Stichting Wegenfonds Curacao). In addition, the deposits of the central government rose, stemming from transfers made by the country receiver and the Dutch Ministry of the Interior and Kingdom Relations (BZK), the latter towards the debt relief. These gains were partly offset by the redemption of government paper. The deposits of the island territory of Curaçao, on

the contrary, dropped due to transfers from its account at the Bank towards its accounts at the commercial banks.

Worth mentioning is also the decline in the item “Deposits of nonresidents” by NAf.118.4 million. This decline was due mainly to the transfers by the Dutch Ministry of BZK towards the debt relief of the central government and the island territory of Curaçao.

Lastly, the increase in “Liabilities to other sectors” by NAf.71.7 million was the result of transfer of funds by the Ministry of BZK towards the account of USONA¹ at the Bank, related to development aid.

Willemstad, April 20, 2010

Bank van de Nederlandse Antillen

¹ USONA is the foundation that approves and funds development projects in the Netherlands Antilles.