

## Condensed Balance Sheet

### BANK VAN DE NEDERLANDSE ANTILLEN

#### (Central Bank)

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

Assets	31-May-10	Difference Compared to 30-Apr-10	Liabilities	31-May-10	Difference Compared to 30-Apr-10
<b>Claims on nonresidents</b>	<b>2,864.5</b>	<b>-153.1</b>	<b>Liabilities to nonresidents</b>	<b>776.4</b>	<b>-66.5</b>
Gold	637.5	0.0	Deposits of nonresidents in foreign currency	776.4	-66.5
Official reserves	2,227.0	-153.1			
<b>Domestic assets</b>	<b>635.0</b>	<b>-3.7</b>	<b>Domestic liabilities</b>	<b>2,045.6</b>	<b>-50.7</b>
			<b>Currency in circulation</b>	<b>363.1</b>	<b>-13.4</b>
<b>Claims on the government</b>	<b>260.6</b>	<b>-0.3</b>	<b>Government deposits</b>	<b>284.1</b>	<b>57.2</b>
Government paper in portfolio	253.7	0.0	Island government	160.1	20.1
Advanced license fees	4.8	0.0	Central government	84.7	35.6
Other	2.1	-0.3	Government agencies and institutions	39.3	1.5
<b>Claims on deposit money banks</b>	<b>0.0</b>	<b>-2.1</b>	<b>Liabilities to deposit money banks</b>	<b>1,047.0</b>	<b>-39.0</b>
Current account balances	0.0	-2.1	Current account balances	379.5	-23.6
			Certificates of Deposit	65.1	-4.1
			Required reserves	602.4	-11.3
<b>Claims on other sectors</b>	<b>374.4</b>	<b>-1.3</b>	<b>Liabilities to other sectors</b>	<b>351.4</b>	<b>-55.5</b>
Other assets	374.4	-1.3	Deposits of other residents	309.5	-55.7
			Other liabilities	41.9	0.2
			<b>Capital and reserves</b>	<b>677.5</b>	<b>-39.6</b>
<b>Total assets</b>	<b>3,499.5</b>	<b>-156.8</b>	<b>Total liabilities</b>	<b>3,499.4</b>	<b>-156.8</b>

In May 2010, the Bank relaxed its monetary policy further. Therefore, the reserve requirement percentage was cut by 25 basis points to 9.00%, resulting in a net decrease of NAf.11.3 million in the item "Required reserves." During the biweekly auctions of Certificates of Deposit (CDs), the Bank focused only on refinancing maturing CDs. However, the subscriptions fell short, causing a NAf.4.1 million decline in the outstanding amount of CDs.

Base money, defined as the sum of currency in circulation and the commercial banks' net current account balances at the Bank, declined by NAf.34.9 million. This drop was largely related to a net decline of NAf.21.5 million in the current account balances of the commercial banks, the result of, among other things, the net purchase of foreign exchange at the Bank. Currency in circulation declined (NAf.13.4 million) after the high demand for banknotes in April related to the holidays.

During May 2010, the net position of the government at the Bank improved by NAf.57.5 million. This improvement was mainly the result of increases in the deposits of the central government (NAf.35.6 million) and the island territory of Curaçao (NAf.20.1 million) at the Bank. The rise in the deposits of the central government was related to the transfers made by the Dutch Ministry of the Interior and Kingdom Relations (BZK) towards the debt relief. In addition, the Bank remitted the balance of the final settlement of the license fee and profit over 2009. The gain in the deposits of the island territory of Curaçao was also due to

transfers of debt relief funds and a transfer by the central government in connection with the regular settlement of mutual obligations between these two entities.

Worth mentioning also is the decline in the item “Deposits of nonresidents in foreign currency” by NAf.66.5 million. This decline was due mainly to the transfers by the Dutch Ministry of BZK towards the debt relief of the central government, the island territory of Curaçao, and the BES islands.

The decrease in the item “Deposits of other residents” (NAf.55.7 million) was due to transfers made by the public pension fund, APNA, from its account at the Bank to their accounts abroad.

Furthermore, the item “Capital en reserves” dropped by NAf.39.6 million. This drop was due mainly to the administrative settlement of advance payments of license fees and profits made to the central government after approval of the Bank's 2009 annual account.

Lastly, the decline in the item “Official reserves” on the assets side of the balance sheet (NAf.153.1 million) was caused by, among other things, the net purchase of foreign exchange by the commercial banks and the aforementioned transfers made by the APNA.

Willemstad, June 28, 2010

**Bank van de Nederlandse Antillen**