

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

December 2010

(millions of NAf.)

Assets	31-Dec-10	Difference compared to 30-Nov-10	Liabilities	31-Dec-10	Difference compared to 30-Nov-10
Claims on nonresidents	3,573.0	102.1	Liabilities to nonresidents	666.9	44.3
Gold	1,057.7	48.2	Deposits of nonresidents in foreign currency	666.9	44.3
Official reserves	2,260.0	53.9			
Securities and loans	255.3	-0.1			
Domestic assets	380.0	-6.3	Domestic liabilities	2,258.4	4.3
			Currency in circulation	371.3	10.6
Claims on the government	0.4	0.1	Government deposits	416.0	24.6
Government paper in portfolio	0.0	0.0	Government of Curacao	271.6	25.9
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	0.0	0.0
Other	0.4	0.1	Former Central Government	111.8	-1.2
			Government agencies and institutions	32.6	-0.1
Claims on deposit money banks	0.6	-4.0	Liabilities to deposit money banks	903.5	-53.8
Current account balances	0.6	-4.0	Current account balances	345.2	-23.6
			Certificates of Deposit	64.0	0.0
			Required reserves	494.3	-30.2
Claims on other sectors	379.0	-2.3	Liabilities to other sectors	567.6	22.9
Other assets	379.0	-2.3	Deposits of other residents	455.1	19.3
			Other liabilities	112.5	3.6
			Capital and reserves	1,027.7	47.2
Total assets	3,953.0	95.8	Total liabilities	3,953.0	95.8

During the month of December 2010, the Bank did not actively deploy its monetary policy instruments to influence the domestic money market. The percentage of the reserve requirement, the main instrument that aims at influencing commercial banks' liquidity and hence the growth in credit extension, remained unchanged at 7.75%. Nevertheless, the outstanding amount of required reserves dropped by NAf.30.2 million because of a drop in the domestic liabilities of the banks. During the biweekly CD¹ auctions, the Bank aimed only at the refinancing of maturing CDs. Therefore, the amount of outstanding CDs remained the same.

Base money, defined as the sum of banknotes in circulation and the current account balances of the commercial banks at the Bank, declined by NAf.9.0 million in December 2010. This decline was due to a decrease in the current account balances. Banknotes in circulation increased by NAf.10.6 million due to the higher demand from the public in connection with the holidays.

The net position of the governments with the Bank improved by NAf.24.5 million. This improvement was mainly the result of an increase in government deposits because of the transfer of funds from accounts with the commercial banks to accounts with the Bank.

¹ Certificates of deposit

The deposits of non-residents increased by NAf.44.3 million. This increase was, on the one hand, due to an increase in the balance of the Central Bank of Aruba at the Bank and, on the other hand, to transfers of funds by the Dutch Ministry of the Interior and Kingdom Relations (BZK) towards the debt relief.

The item "Liabilities to other sectors" rose by NAf.22.9 million. This rise was mainly caused by an increase of NAf.19.3 million in the item "Deposits of other residents", largely the result of an increase in the deposits of the public pension fund, APNA.

The item "Official reserves" on the assets side of the balance sheet rose by NAf.53.9 million. This rise was caused mainly by the net sales of foreign exchange by the commercial banks and the transfers of debt relief funds by the Ministry of BZK.

Lastly, the item "Gold" on the assets side of the balance sheet increased. As of October 10, 2010, the valuation of the gold stock is based on the market value. The result of the revaluation is added to or withdrawn from the revaluation reserves. The change in the item "Capital and reserves" on the liabilities side of the balance sheet is related to this revaluation.

Willemstad, February 24, 2011

Centrale Bank van Curaçao en Sint Maarten