

Condensed Balance Sheet  
CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

**December 2011**

(millions of NAf.)

Assets	31-Dec-11	Difference compared to 30-Nov-11	Liabilities	31-Dec-11	Difference compared to 30-Nov-11
<b>Claims on nonresidents</b>	<b>3,707.2</b>	<b>-97.1</b>	<b>Liabilities to nonresidents</b>	<b>820.8</b>	<b>138.2</b>
Gold	1,184.8	-129.1	Deposits of nonresidents in foreign currency	820.8	138.2
Official reserves	2,308.9	40.5			
Securities and loans	213.4	-8.5			
<b>Domestic assets</b>	<b>376.6</b>	<b>2.9</b>	<b>Domestic liabilities</b>	<b>2,184.4</b>	<b>-24.0</b>
			<b>Currency in circulation</b>	<b>392.8</b>	<b>18.4</b>
<b>Claims on the government</b>	<b>0.1</b>	<b>0.0</b>	<b>Government deposits</b>	<b>333.2</b>	<b>-2.0</b>
Government paper in portfolio	0.1	0.0	Government of Curacao	237.3	-0.7
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	0.1	0.0
Other	0.0	0.0	Former Central Government	95.3	-1.3
			Government agencies and institutions	0.5	0.0
<b>Claims on deposit money banks</b>	<b>3.0</b>	<b>3.0</b>	<b>Liabilities to deposit money banks</b>	<b>1,154.4</b>	<b>24.1</b>
Current account balances	3.0	3.0	Current account balances	457.4	21.7
			Certificates of Deposit	30.3	-9.7
			Required reserves	666.7	12.1
<b>Claims on other sectors</b>	<b>373.4</b>	<b>-0.1</b>	<b>Liabilities to other sectors</b>	<b>304.1</b>	<b>-64.5</b>
Other assets	373.4	-0.1	Deposits of other residents	210.7	-45.9
			Other liabilities	93.4	-18.7
			<b>Capital and reserves</b>	<b>1,078.6</b>	<b>-208.4</b>
<b>Total assets</b>	<b>4,083.8</b>	<b>-94.2</b>	<b>Total liabilities</b>	<b>4,083.8</b>	<b>-94.2</b>

During the month of December 2011, the Bank continued its monetary policy aimed at a tightening of the surplus in the money market. The percentage of the reserve requirement, the main instrument, was increased again by 0.25 percentage points to 10.50%. This instrument aims at influencing the liquidity of the commercial banks and, hence, the growth in credit extension. Due to the increase in the reserve requirement, the amount of required reserves expanded by NAf.12.1 million. During the bi-weekly auctions of Certificates of Deposit (CDs), the Bank focused only on refinancing maturing CDs. However, the subscriptions fell short, causing a NAf.9.7 million drop in the outstanding amount of CDs.

Base money<sup>1</sup> rose by NAf.40.1 million, largely as a result of a net increase in the current account balances of the commercial banks at the Bank (NAf.21.7 million). In addition, currency in circulation grew by NAf.18.4 million due to the higher demand for cash by the public in connection with the holidays.

The item “Gold” on the assets side of the balance sheet declined by NAf.129.1 million as a result of the lower market value at the balance sheet date, compared to the end of November 2011. The decrease in the item “Capital and reserves” on the liabilities side of the balance sheet is, among other things, related to the decrease of the market value of gold.

The item “Liabilities to nonresidents” expanded by NAf.138.2 million in the month of December, caused mainly by a provision made for the division of assets and liabilities of the former Bank van de Nederlandse Antillen for the BES islands.

<sup>1</sup> The sum of banknotes in circulation and the current account balance of the commercial banks at the Bank.

The item “Official reserves” on the assets side of the balance sheet rose by NAf.40.5 million. This rise was caused mainly by the net sale of foreign exchange by the commercial banks to the Bank.

Finally, the item “Liabilities to other sectors” declined by NAf.64.5 million. This decline was due mainly to a drop in the item “Deposits of other residents” by NAf.45.9 million as a result of transfers by the government pension fund, APNA, to its accounts at the commercial banks.

Willemstad, February 10, 2012

**Centrale Bank van Curaçao en Sint Maarten**