

# Condensed Balance Sheet

## CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

**January 2011**

(millions of NAf.)

Assets	31-Jan-11	Difference	Liabilities	31-Jan-11	Difference
		compared to			compared to
		31-Dec-10			31-Dec-10
<b>Claims on nonresidents</b>	<b>3,484.4</b>	<b>-88.6</b>	<b>Liabilities to nonresidents</b>	<b>631.4</b>	<b>-35.5</b>
Gold	998.6	-59.1	Deposits of nonresidents in foreign currency	631.4	-35.5
Official reserves	2,230.5	-29.5			
Securities and loans	255.3	0.0			
<b>Domestic assets</b>	<b>376.0</b>	<b>-1.9</b>	<b>Domestic liabilities</b>	<b>2,262.3</b>	<b>5.8</b>
			<b>Currency in circulation</b>	<b>338.4</b>	<b>-32.9</b>
<b>Claims on the government</b>	<b>0.2</b>	<b>-0.1</b>	<b>Government deposits</b>	<b>427.6</b>	<b>11.6</b>
Government paper in portfolio	0.0	0.0	Government of Curacao	283.3	11.7
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	0.0	0.0
Other	0.2	-0.1	Former Central Government	112.2	0.5
			Government agencies and institutions	32.1	-0.5
<b>Claims on deposit money banks</b>	<b>0.1</b>	<b>-0.5</b>	<b>Liabilities to deposit money banks</b>	<b>912.7</b>	<b>9.3</b>
Current account balances	0.1	-0.5	Current account balances	372.2	27.0
			Certificates of Deposit	64.0	0.0
			Required reserves	476.6	-17.7
<b>Claims on other sectors</b>	<b>375.7</b>	<b>-1.3</b>	<b>Liabilities to other sectors</b>	<b>583.5</b>	<b>17.8</b>
Other assets	375.7	-1.3	Deposits of other residents	465.6	10.5
			Other liabilities	117.9	7.3
			<b>Capital and reserves</b>	<b>966.6</b>	<b>-60.9</b>
<b>Total assets</b>	<b>3,860.4</b>	<b>-90.5</b>	<b>Total liabilities</b>	<b>3,860.3</b>	<b>-90.5</b>

During the month of January 2011, 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, remained unchanged at 7.75%. This instrument aims at influencing commercial banks' liquidity and hence the growth in credit extension. However, the outstanding amount of required reserves declined because of a drop in the domestic liabilities of the banks. During the biweekly CD<sup>1</sup> auctions, the Bank aimed only at the refinancing of maturing CDs. The amount of outstanding CDs, therefore, 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.5.4 million in January 2011. This decline was due to a decrease in currency in circulation (NAf.32.9 million), partly offset by an increase in the current account balances of the commercial banks (NAf.27.0 million). The decrease in the item "Currency in circulation" can largely be attributed to the Netherlands Antillean guilders (NAf.) taken out of circulation on the BES islands<sup>2</sup>. As of January 1, 2011, the BES islands introduced the US dollar as legal tender and most of the NAf. banknotes were taken out of circulation in January. The increase in the current account balances of the commercial banks was the result of the decrease in the required reserves.

<sup>1</sup> Certificates of deposit

<sup>2</sup> Bonaire, Sint Eustatius and Saba

The net position of the governments with the Bank improved by NAf.11.7 million. This improvement was mainly the result of an increase in the deposits of the government of Curaçao.

The item "Liabilities to nonresidents" fell by NAf.35.5 million. This was due mainly to a drop in the balances of the Central Bank of Aruba at the Bank and in the funds earmarked for debt relief on the accounts of the Dutch Ministry of Internal Affairs and Kingdom Relations ("BZK"). By contrast, the item "Liabilities to other residents" increased by NAf.17.8 million. This increase was mainly due to the transfer of funds from accounts with the commercial banks to accounts at the Bank by the foundation that approves and funds development projects, SONA<sup>3</sup>.

The item "Official reserves" on the assets side of the balance sheet decreased by NAf.29.5 million. This drop was caused mainly by the net purchase of foreign exchange by the commercial banks.

Finally, the item "Gold" on the assets side of the balance sheet declined as a result of a lower market value at the balance sheet date, compared to the end of December 2010. The result of the revaluation was withdrawn from the revaluation reserve, explaining the change in the item "Capital and reserves" on the liabilities side of the balance sheet.

Willemstad, March 3, 2011

**Centrale Bank van Curaçao en Sint Maarten**

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<sup>3</sup> Stichting Onwikkelingsfonds Nederlandse Antillen