

Condensed Balance Sheet
CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

March 2011

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	31-Mar-11	28-Feb-11		31-Mar-11	28-Feb-11
Claims on nonresidents	3,548.6	-53.2	Liabilities to nonresidents	625.3	-10.1
Gold	1,082.9	21.1	Deposits of nonresidents in foreign currency	625.3	-10.1
Official reserves	2,435.2	-74.3			
Securities and loans	30.5	0.0			
Domestic assets	408.8	28.3	Domestic liabilities	2,282.0	-36.0
			Currency in circulation	343.8	11.5
Claims on the government	0.1	0.0	Government deposits	422.5	-30.3
Government paper in portfolio	0.0	0.0	Government of Curacao	277.8	-34.4
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	0.0	0.0
Other	0.1	0.0	Former Central Government	110.6	1.8
			Government agencies and institutions	34.1	2.4
Claims on deposit money banks	36.1	36.1	Liabilities to deposit money banks	1,189.9	233.0
Current account balances	36.1	36.1	Current account balances	652.8	230.7
			Certificates of Deposit	64.0	0.0
			Required reserves	473.1	2.3
Claims on other sectors	372.6	-7.9	Liabilities to other sectors	325.8	-250.1
Other assets	372.6	-7.9	Deposits of other residents	209.6	-256.2
			Other liabilities	116.2	6.1
			Capital and reserves	1,050.2	21.1
Total assets	3,957.4	-25.0	Total liabilities	3,957.4	-25.0

During the month of March 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 increased because of an increase in the domestic liabilities of the banks. During the biweekly CD¹ 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 currency in circulation and the current account balances of the commercial banks at the Bank, increased by NAf.206.1 million in March 2011. This increase was due to an increase by NAf.194.6 million in the net current account balances of the commercial banks and an increase by NAf.11.5 million in the amount of currency in circulation. The increase in the current account balances of the commercial banks was due to transactions by the public pension fund, APNA, and the transfer of government funds from accounts at the Bank to the commercial banks. The latter explains largely the drop by NAf.30.3 million in the item "Government deposits".

The item "Liabilities to other sectors" fell by NAf.250.1 million. This decline was caused by a decrease by NAf.256.2 million in the item "Deposits of other residents" as a result of transactions of the APNA with the commercial banks and the Bank. The APNA transferred,

¹ Certificates of deposit

among other things, an advance on the division of assets and liabilities to the public pension fund of Sint Maarten and made investments abroad.

Furthermore, the net purchase of foreign exchange by the commercial banks and the APNA explains the decrease by NAF.74.3 million in the item "Official reserves" on the assets side of the balance sheet.

Finally, the item "Gold" on the assets side of the balance sheet, increased by NAF.21.1 million as a result of the higher market value at the balance sheet date, compared to the end of February 2011. The result of the revaluation was added to the revaluation reserve, explaining the change in the item "Capital and reserves" on the liabilities side of the balance sheet.

Willemstad, May 10, 2011

Centrale Bank van Curaçao en Sint Maarten