

CONDENSED BALANCE SHEET OF THE CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

October 2010

(millions of NAf.)

Assets	31-Oct-10	Difference compared to 11-Oct-10	Liabilities	31-Oct-10	Difference compared to 11-Oct-10
Claims on nonresidents	3,088.4	-61.8	Liabilities to nonresidents	703.7	-4.3
Gold	761.9	0.0	Deposits of nonresidents in foreign currency	703.7	-4.3
Official reserves	2,326.5	-61.8			
Domestic assets	634.1	-1.0	Domestic liabilities	2,286.3	-57.8
			Currency in circulation	360.4	4.1
Claims on the government	251.6	0.1	Government deposits	453.7	21.4
Government paper in portfolio	251.4	0.0	Government of Curacao	297.9	10.1
Government Agencies & Institutions	0.0	0.0	Government of Sint Maarten	0.0	0.0
Other	0.2	0.1	Former Central Government	120.4	11.0
			Government agencies and institutions	35.5	0.3
Claims on deposit money banks	4.0	4.0	Liabilities to deposit money banks	940.0	-74.4
Current account balances	4.0	4.0	Current account balances	364.4	-55.1
			Certificates of Deposit	64.0	0.0
			Required reserves	511.6	-19.3
Claims on other sectors	378.6	-5.1	Liabilities to other sectors	532.2	-8.8
Other assets	378.6	-5.1	Deposits of other residents	432.2	-14.5
			Other liabilities	100.0	5.7
			Capital and reserves	732.5	-0.7
Total assets	3,722.5	-62.9	Total liabilities	3,722.5	-62.9

In this first balance sheet of the Central Bank of Curaçao and Sint Maarten (CBCS), the condensed balance of October 31, 2010 is compared to the opening balance of the CBCS on October 11, 2010. The new countries of Curaçao and Sint Maarten have opened accounts with the Bank. The accounts of the former government of the Netherlands Antilles are included in the item "Former Central Government" on the balance sheet, and will remain active as long as these accounts have a balance. The accounts of the former island territory of Curaçao are included in the item "Government of Curaçao".

During the month of October 2010, the Bank continued to relax its monetary policy. The reserve requirement percentage was cut by 25 basis points to 7.75% on October 18, 2010, leading to a decline by NAf.19.3 million in the item "Required reserves". During the biweekly auctions of Certificates of Deposit (CDs), the Bank focused only on refinancing maturing CDs. Therefore, the item "Certificates of Deposit" remained unchanged.

Base money dropped by NAf.55.0 million largely because of a decrease in the net current account balances of the commercial banks at the Bank (NAf.59.1 million). In comparison with October 11, 2010, currency in circulation grew by NAf.4.1 million. The drop in the net current account balances was related mainly to the net purchase of foreign exchange by the commercial banks.

The net position of the governments with the Bank improved by NAf.21.3 million. The claims on the government remained almost the same. However, the liabilities to the government increased as funds were transferred from accounts at the commercial banks towards accounts at the Bank.

On the assets side of the balance sheet the item "Official reserves" declined by NAf.61.8 million. This decline was the result of the net purchase of foreign exchange by the commercial banks, on the one hand, and the transfer of the local portion of the proceeds of bond issues, on the other. In October 2010, the countries of Curaçao and Sint Maarten issued bonds to settle the portion of the debt acquired by the Netherlands that was in excess of the amount agreed upon for debt relief.

Finally, the item "Deposits of other residents" declined by NAf.14.5 million, mainly due to a decrease in the funds of SONA, the foundation that approves and funds development projects in the Netherlands Antilles and the public pension fund APNA at the Bank.

Willemstad, December 20, 2010

Central Bank of Curaçao and Sint Maarten