

Condensed Balance Sheet
CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

October 2011

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	31-Oct-11	30-Sep-11		31-Oct-11	30-Sep-11
Claims on nonresidents	3,788.5	187.7	Liabilities to nonresidents	667.1	32.5
Gold	1,295.8	76.8	Deposits of nonresidents in foreign currency	667.1	32.5
Official reserves	2,276.9	111.0			
Securities and loans	215.7	0.0			
Domestic assets	405.7	25.2	Domestic liabilities	2,257.3	103.3
			Currency in circulation	361.5	-8.3
Claims on the government	0.1	0.1	Government deposits	336.8	-12.3
Government paper in portfolio	0.1	0.1	Government of Curacao	235.4	-13.4
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	0.0	0.0
Other	0.0	0.0	Former Central Government	101.0	0.6
			Government agencies and institutions	0.5	0.5
Claims on deposit money banks	31.2	22.4	Liabilities to deposit money banks	1,238.6	129.8
Current account balances	31.2	22.4	Current account balances	559.6	111.0
			Certificates of Deposit	40.0	0.0
			Required reserves	639.0	18.8
Claims on other sectors	374.4	2.7	Liabilities to other sectors	320.3	-5.9
Other assets	374.4	2.7	Deposits of other residents	208.3	-7.0
			Other liabilities	112.1	1.1
			Capital and reserves	1,269.6	76.9
Total assets	4,194.1	212.9	Total liabilities	4,194.1	212.9

During the month of October 2011, the Bank directed its monetary policy again at a tightening of the surplus in the money market. The percentage of the reserve requirement, the main instrument, was increased by 0.25 percentage points to 10.00%. 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.18.8 million. The other monetary policy instrument, the auctioning of Certificates of Deposit (CDs), was not actively deployed. During the biweekly 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.102.7 million in October 2011. This expansion was due to an increase of NAf.111.0 million in the current account balances of the commercial banks and a drop of NAf.8.3 million in the value of currency in circulation. The increase in the current account balances of the commercial banks was caused by the net sale of reserves to the Bank. The latter also explains the surge of NAf.111.0 million in the item "Official reserves" on the assets side of the balance sheet. At the same time, the item "Claims on deposit money banks" increased by NAf.22.4 million as a result of a temporary extension of net credit to commercial banks.

Furthermore, the item “Liabilities to nonresidents” expanded by NAf.32.5 million in the month of October, caused mainly by an increase in deposits of a commercial bank in Bonaire. The net position of the government with the Bank declined by NAf.12.4 million. This deterioration was mainly the result of a decrease in the deposits of the government of Curaçao.

Finally, the item “Gold” on the assets side of the balance sheet rose by NAf.76.8 million as a result of the higher market value at the balance sheet date, compared to the end of September 2011. The increase in the item “Capital and reserves” on the liabilities side of the balance sheet is related to the increased market value of gold.

Willemstad, November 29, 2011
Centrale Bank van Curaçao en Sint Maarten