

Condensed Balance Sheet
CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

May 2012

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	31-May-12	30-Apr-12		31-May-12	30-Apr-12
Claims on nonresidents	3,564.7	86.9	Liabilities to nonresidents	661.0	-1.9
Gold	1,172.4	-70.2	Deposits of nonresidents in foreign currency	661.0	-1.9
Official reserves	2,203.9	162.1			
Securities and loans	188.3	-5.0			
Domestic assets	433.9	0.0	Domestic liabilities	2,266.1	156.7
			Currency in circulation	376.1	5.6
Claims on the government	0.2	0.1	Government deposits	215.3	-118.2
Government paper in portfolio	0.2	0.1	Government of Curacao	126.0	-119.3
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	0.1	0.0
Other	0.0	0.0	Former Central Government	83.8	-4.3
			Government agencies and institutions	5.5	5.4
Claims on deposit money banks	0.3	-0.5	Liabilities to deposit money banks	1,330.0	246.6
Current account balances	0.3	-0.5	Current account balances	591.7	224.8
			Certificates of Deposit	30.3	0.0
			Required reserves	708.1	21.8
Claims on other sectors	433.5	0.4	Liabilities to other sectors	344.7	22.7
Other assets	433.5	0.4	Deposits of other residents	251.6	22.4
			Other liabilities	93.2	0.3
			Capital and reserves	1,071.5	-68.0
Total assets	3,998.6	86.9	Total liabilities	3,998.6	86.9

During the month of May 2012, the Bank increased the percentage of the reserve requirement, its main monetary policy instrument, by 0.25 percentage point to reach 11.25%. Although the temporary credit freeze affects private credit extension and, hence, domestic expenditures and imports, this measure does not influence the excess liquidity in the money market. Therefore, the Bank continues to gradually increase the reserve requirement to curb the excess liquidity in the money market. 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 unchanged.

Base money¹ rose by NAf. 230.4 million, largely as a result of a net increase in the current account balances of the commercial banks at the Bank (NAf. 224.8 million). The rise in the current account balances was due to, among other things, funds received from the Dutch government from the repayment of matured debt securities and interest payments². In addition, the Curaçao government transferred funds from its account at the Bank towards its accounts at the commercial banks. The latter also explains the drop in the item “Government deposits” by NAf. 118.2 million.

¹ The sum of currency in circulation and the current account balances of the commercial banks at the Bank.

² The Dutch government took over all remaining outstanding debt of the entities of the former Netherlands Antilles.

Worth mentioning is also the increase in the deposits of other residents (NAf.22.4 million). This increase was due largely to a payment by the Dutch Ministry of the Interior and Kingdom Relations (BZK) towards the government pension fund, APNA, regarding an annuity loan taken over³.

The item “Official reserves” rose by NAf. 162.1 million as a result of, among other things, the transfers by the Dutch government regarding the repayment of matured debt and interest payments. Also, the commercial banks sold foreign exchange to the Bank.

Finally, the item “Gold” declined by NAf. 70.2 million as a result of the lower market value at the balance sheet date compared to the end of April 2012. The decrease in the item “Capital and reserves” on the liabilities side of the balance sheet was related to the decrease of the market value of gold.

Willemstad, June 22, 2012

Centrale Bank van Curaçao en Sint Maarten

³ The Dutch government took over all remaining outstanding debt of the entities of the former Netherlands Antilles.