

Condensed Balance Sheet
CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

November 2011

(millions of NAf)

Assets	30-Nov-11	Difference	Liabilities	30-Nov-11	Difference
		compared to			compared to
		31-Oct-11			31-Oct-11
Claims on nonresidents	3,803.6	15.1	Liabilities to nonresidents	682.6	15.5
Gold	1,313.9	18.1	Deposits of nonresidents in foreign currency	682.6	15.5
Official reserves	2,274.0	-2.9			
Securities and loans	215.7	0.0			
Domestic assets	374.4	-31.2	Domestic liabilities	2,208.3	-49.1
			Currency in circulation	374.3	12.4
Claims on the government	0.1	0.1	Government deposits	335.1	-1.3
Government paper in portfolio	0.1	0.1	Government of Curacao	238.0	2.6
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	0.0	-0.1
Other	0.0	0.0	Former Central Government	96.6	-4.4
			Government agencies and institutions	0.5	0.5
Claims on deposit money banks	0.0	-31.2	Liabilities to deposit money banks	1,130.3	-108.3
Current account balances	0.0	-31.2	Current account balances	435.7	-123.9
			Certificates of Deposit	40.0	0.0
			Required reserves	654.6	15.6
Claims on other sectors	374.2	-0.2	Liabilities to other sectors	368.6	48.2
Other assets	374.2	-0.2	Deposits of other residents	256.5	48.3
			Other liabilities	112.1	0.0
			Capital and reserves	1,287.0	17.3
Total assets	4,177.9	-16.1	Total liabilities	4,177.9	-16.1

During the month of November 2011, the Bank continued its monetary policy aimed at a tightening of the surplus in the money market. The percentage of the reserve requirement, the main instrument, was increased again by 0.25 percentage points to 10.25%. 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.15.6 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, decreased by NAf.111.5 million in November 2011. This decline was due to a drop of NAf.123.9 million in the current account balances of the commercial banks and an increase of NAf.12.4 million in the value of currency in circulation. The decline in the current account balances of the commercial banks was, among other things, caused by transactions of USONA¹ and the pension fund APNA from their accounts at the commercial banks to their accounts at the Bank. These transactions explain also the surge in the item "Deposits of other residents" by NAf.48.3 million. At the same time, the temporary extension of credit to commercial banks was repayed, explaining the drop in the

¹ The foundation that approves and funds development projects.

item “Claims on deposit money banks” by NAf.31.2 million on the assets side of the balance sheet. Furthermore, the increase of the reserve requirement contributed to the decrease in the current account balances of the commercial banks.

The item “Liabilities to nonresidents” expanded by NAf.15.5 million in the month of November, caused mainly by an increase in deposits of the Central Bank of Aruba with the Bank.

Finally, the item “Gold” on the assets side of the balance sheet rose by NAf.18.1 million as a result of the higher market value at the balance sheet date, compared to the end of October 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, January 2, 2012

Centrale Bank van Curaçao en Sint Maarten