

Condensed Balance Sheet
CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

November 2013

(millions of NAf)

Assets	30-Nov-13	Difference compared to		Liabilities	30-Nov-13	Difference compared to	
		31-Oct-13				31-Oct-13	
Claims on nonresidents	3,173.1	-7.9		Liabilities to nonresidents	536.7	-0.3	
Gold	942.9	-53.4		Deposits of nonresidents in foreign currency	536.7	-0.3	
Official reserves	2,102.0	57.2					
Securities and loans	128.2	-11.7					
Domestic assets	504.9	8.2		Domestic liabilities	2,278.4	52.7	
				Currency in circulation	400.4	12.5	
Claims on the government	0.3	0.0		Government deposits	397.1	3.4	
Government paper in portfolio	0.3	0.0		Government of Curacao	196.1	3.4	
Government agencies and institutions	0.0	0.0		Government of Sint Maarten	0.1	0.0	
Other	0.0	0.0		Former Central Government	75.3	0.0	
				Government agencies and institutions	125.7	0.0	
Claims on deposit money banks	18.7	10.0		Liabilities to deposit money banks	1,208.2	43.3	
Current account balances	18.7	10.0		Current account balances	159.9	48.4	
				Certificates of Deposit	21.0	-5.0	
				Required reserves	1,027.3	0.0	
Claims on other sectors	485.9	-1.8		Liabilities to other sectors	272.7	-6.6	
Other assets	485.9	-1.8		Deposits of other residents	174.0	-7.7	
				Other liabilities	98.7	1.1	
				Capital and reserves	862.9	-52.0	
Total assets	3,678.0	0.3		Total liabilities	3,678.0	0.3	

During the month of November 2013, 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 with 0.25 percentage point to 16.75%. This instrument aims at influencing the liquidity of the commercial banks and, hence, the growth in credit extension. Nevertheless, despite the increase of the percentage, the outstanding amount of required reserves remained the same because of the lower base amount¹ on which it is calculated. During the bi-weekly auctions of Certificates of Deposit (CDs), the Bank focused only on refinancing maturing CDs. However, the subscriptions fell short, causing a NAf.5.0 million drop in the outstanding amount of CDs.

Base money² increased by NAf.60.9 million in November 2013 reflecting an increase in the current account balances of the commercial banks (NAf.48.4 million) and a growth in the value of currency in circulation (NAf.12.5 million). The increase in the current account balances of the commercial banks was largely the result of the net sale of foreign exchange to the Bank and a transfer by the public pension fund of Curaçao, Algemeen Pensioenfonds, from its account at the Bank to its account at a commercial bank. These transactions are also reflected by the increase in the item "Official reserves" (NAf.57.2 million) on the assets side

¹ Domestic debt -/- long-term deposits.

² The sum of currency in circulation and the current account balances of the commercial banks at the Bank.

and the decline of NAf.7.7 million in the item “Deposits of other residents” on the liabilities side of the balance sheet.

The increase in the current account balances of the commercial banks was mitigated by the purchase of securities from the Bank’s portfolio. The latter explains the decline of NAf.11.7 million in the item “Securities and loans” on the assets side of the balance sheet. Furthermore, the Bank provided short-term liquidity to a commercial bank during the month of November 2013, reflected by a rise in the item “Claims on deposit money banks” by NAf.10.0 million.

Finally, the item “Gold” on the assets side of the balance sheet decreased by NAf.53.4 million as a result of a lower market value at the balance sheet date, compared to the end of October 2013. The decrease in the item “Capital and reserves” on the liabilities side of the balance sheet was related to the decline in the market value of gold.

Willemstad, December 20, 2013

Centrale Bank van Curaçao en Sint Maarten