

Condensed Balance Sheet
CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

December 2012

(millions of NAf.)

Assets	31-Dec-12	Difference compared to 30-Nov-12	Liabilities	31-Dec-12	Difference compared to 30-Nov-12
Claims on nonresidents	3,451.1	71.1	Liabilities to nonresidents	605.8	3.5
Gold	1,252.2	-46.7	Deposits of nonresidents in foreign currency	605.8	3.5
Official reserves	2,031.2	117.8			
Securities and loans	167.7	0.0			
Domestic assets	462.2	-49.7	Domestic liabilities	2,140.0	66.2
			Currency in circulation	412.6	31.8
Claims on the government	0.2	0.0	Government deposits	163.9	1.8
Government paper in portfolio	0.2	0.0	Government of Curacao	60.6	0.7
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	0.1	0.0
Other	0.0	0.0	Former Central Government	103.0	1.1
			Government agencies and institutions	0.2	0.0
Claims on deposit money banks	1.6	-52.4	Liabilities to deposit money banks	1,215.3	23.1
Current account balances	1.6	-52.4	Current account balances	258.8	-4.4
			Certificates of Deposit	29.0	0.0
			Required reserves	927.5	27.5
Claims on other sectors	460.3	2.7	Liabilities to other sectors	348.2	9.6
Other assets	460.3	2.7	Deposits of other residents	250.4	5.7
			Other liabilities	97.8	3.9
			Capital and reserves	1,167.7	-48.1
Total assets	3,913.3	21.5	Total liabilities	3,913.3	21.5

During the month of December 2012, 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 by 0.50 percentage point to 14.25%. This instrument aims at influencing the liquidity of the commercial banks and, hence, the growth in credit extension. Due to the increase of the percentage, the amount of required reserves expanded by NAf.27.5 million. During the bi-weekly auctions of Certificates of Deposit (CDs), the Bank focused only on refinancing maturing CDs. The amount of outstanding CDs, therefore, remained unchanged.

Base money¹ rose by NAf.27.4 million, as a result of the increase in currency in circulation (NAf.31.8 million), mitigated by a decrease of the current account balances of the commercial banks (NAf.4.4 million). Currency in circulation grew due to the higher demand for cash by the public in connection with the holidays. Meanwhile, the current account balances of the commercial banks dropped because of, among other things, the increase in the reserve requirement. Also, the commercial banks repaid most of the short-term credit received in November 2012, reflected in the item “Claims on deposit money banks”.

To finance the net purchase of currency, the higher reserve requirement and the repayment of short-term credit, the commercial banks, on balance, sold foreign exchange to the Bank.

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

The latter explains the increase by NAf.117.8 million in the item “Official reserves” on the assets side of the balance sheet.

Finally, the item “Gold” on the assets side of the balance sheet declined by NAf.46.7 million as a result of the lower market value at the balance sheet date, compared to the end of November 2012. The decrease in the item “Capital and reserves” on the liabilities side of the balance sheet is related to the decrease in the market value of gold.

Willemstad, January 31, 2013

Centrale Bank van Curaçao en Sint Maarten