

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

November 2015

(millions of NAf.)

Assets	Difference compared to		Liabilities	compared to	
	30-Nov-15	31-Oct-15		30-Nov-15	31-Oct-15
Claims on nonresidents	3,357.0	-196.3	Liabilities to nonresidents	425.8	7.8
Gold	799.1	-60.5	Deposits of nonresidents in foreign currency	425.8	7.8
Official reserves	2,510.4	-135.7			
Other	47.6	0.0			
Domestic assets	670.3	66.7	Domestic liabilities	2,872.1	-77.8
			Currency in circulation	434.5	11.0
Claims on the government	0.0	0.0	Government deposits	452.9	-27.8
Government paper in portfolio	0.0	0.0	Government of Curacao	350.3	-28.3
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	36.8	0.5
Other	0.0	0.0	Former Central Government	65.3	0.0
			Government agencies and institutions	0.4	0.0
Claims on deposit money banks	172.0	60.8	Liabilities to deposit money banks	1,802.9	12.2
Current account balances	172.0	60.8	Current account balances	499.4	58.7
			Certificates of Deposit	152.6	-30.5
			Required reserves	1,150.9	-16.0
Claims on other sectors	498.3	5.9	Liabilities to other sectors	181.8	-73.2
Other assets	498.3	5.9	Deposits of other residents	90.0	-75.0
			Other liabilities	91.8	1.8
			Capital and reserves	729.4	-59.6
Total assets	4,027.3	-129.6	Total liabilities	4,027.3	-129.6

During the month of November 2015, the Bank continued to direct its monetary policy at a tightening of the surplus in the money market. The Bank tried to mop up excess liquidity through the auctioning of a higher amount of certificates of deposit (CDs). However, due to a shortfall in subscriptions, the amount of outstanding CDs dropped by NAf.30.5 million. Meanwhile, the Bank maintained the percentage of the reserve requirement at 18.00%. Nevertheless, the amount of required reserves decreased by NAf.16.0 million due to the lower base amount¹ upon which it is calculated.

Base money² grew by NAf.69.7 million in November 2015 due to increases in the current account balances of the commercial banks (NAf.58.7 million) and in the currency in circulation (NAf.11.0 million). Currency in circulation rose because of a higher demand for cash by the commercial banks. The increase in the current account balances of the commercial banks was driven by, among other things, transfers from the government pension fund of Curaçao (APC) and the government of Curaçao from their accounts at the Bank towards their accounts at the commercial banks. Furthermore, the decrease in the amount of outstanding CDs and the decline of the required reserves contributed to the increase in the current account balances of the commercial banks. This increase was, however, mitigated by the net purchase of foreign exchange by the commercial banks at the

¹ The base amount is equal to the commercial banks' domestic liabilities -/- long-term deposits.

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

Bank. In addition, the Bank provided short-term liquidity to some commercial banks during the month of November, reflected by an increase in the item “Claims on deposit money banks” by NAf.60.8 million.

The item “Liabilities to other sectors” dropped by NAf.73.2 million due to the aforementioned transfers by the APC from its account at the Bank towards its accounts at the commercial banks. Also, the APC transferred funds abroad for investment purposes. The latter transfers combined with the net purchase of foreign exchange by the commercial banks at the Bank explain the decrease in the item “Official reserves” by NAf.135.7 million.

Meanwhile, the net position of the governments with the Bank worsened by NAf.27.8 million due to the aforementioned transactions by the government of Curaçao from its account at the Bank towards its accounts at the commercial banks.

Finally, the item “Gold” on the assets side of the balance sheet decreased by NAf.60.5 million as a result of a lower market value at the balance sheet date compared to the end of October 2015. The decrease in the item “Capital and reserves” on the liabilities side of the balance sheet was related primarily to the drop in the market value of gold.

Willemstad, December 29, 2015

Centrale Bank van Curaçao en Sint Maarten