

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

December 2016

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	31-Dec-16	30-Nov-16		31-Dec-16	30-Nov-16
Claims on nonresidents	3,541.3	-52.5	Liabilities to nonresidents	506.4	-32.0
Gold	872.2	-14.3	Deposits of nonresidents in foreign currency	506.4	-32.0
Official reserves	2,658.0	-38.2			
Other	11.1	0.0			
Domestic assets	535.3	-127.2	Domestic liabilities	2,775.9	-133.9
			Currency in circulation	473.2	8.9
Claims on the government	1.1	1.0	Government deposits	286.9	0.1
Government paper in portfolio	1.1	1.0	Government of Curacao	198.4	0.7
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	22.8	-0.6
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	45.4	-122.9	Liabilities to deposit money banks	1,888.2	-107.7
Current account balances	45.4	-122.9	Current account balances	500.5	-117.4
			Certificates of Deposit	227.4	0.0
			Required reserves	1,160.4	9.7
Claims on other sectors	488.7	-5.3	Liabilities to other sectors	127.7	-35.2
Other assets	488.7	-5.3	Deposits of other residents	69.1	-36.5
			Other liabilities	58.6	1.3
			Capital and reserves	794.3	-13.9
Total assets	4,076.6	-179.7	Total liabilities	4,076.6	-179.7

During the month of December 2016, the Bank maintained the reserve requirement at 18.00%. Nevertheless, the amount of required reserves increased by NAf.9.7 million due to the higher base amount¹ upon which it is calculated. Furthermore, on the bi-weekly auctions of certificates of deposit (CDs), the Bank aimed only at the refinancing of maturing CDs. Consequently, the amount of outstanding CDs remained the same.

Base money² dropped by NAf.108.5 million due to a decrease in the current account balances of the commercial banks (NAf.117.4 million), mitigated by an increase in currency in circulation (NAf.8.9 million). The currency in circulation grew because of the higher demand for cash by the public in connection with the holidays. The decline in the current account balances of the commercial banks was the result of, among other things, the net purchase of foreign exchange at the Bank and the rise in the required reserves. In addition, part of the short-term credit extended to the commercial banks by the Bank was repaid. This repayment explains the decline of NAf.122.9 million in the item "Claims on deposit money banks" on the assets side of the balance sheet. However, transfers by the public sector pension fund (APC) and the Postspaarbank (PSB Bank N.V.) from their accounts with the Bank to their accounts at the commercial banks moderated the decline in the current account balances.

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.

The item “Liabilities to nonresidents” decreased by NAf.32.0 million, mainly as a result of transactions carried out by some commercial banks in Bonaire from their accounts with the Bank. The decrease was moderated, however, by an increase in the deposits of the Dutch Ministry of the Interior and Kingdom Relations (BZK) at the Bank related to interest payments on debt securities issued by the governments of Curaçao and Sint Maarten held by the Dutch State.

Meanwhile, the item “Liabilities to other sectors” decreased by NAf.35.2 million. This decrease was due primarily to the aforementioned transfers by the APC and the PSB Bank from their accounts at the Bank towards their accounts at the commercial banks and payments made by USONA³ to creditors abroad regarding the construction of the new hospital in Curaçao.

The decline of the item “Official reserves” (NAf.38.2 million) on the assets side of the balance sheet was largely caused by the transactions carried out by the commercial banks in Bonaire and the net purchase of foreign exchange by the commercial banks.

Finally, the item “Gold” on the assets side of the balance sheet decreased by NAf.14.3 million as a result of the lower market value at the balance sheet date compared to the end of November 2016. The decrease in the item “Capital and reserves” on the liabilities side of the balance sheet was related to the drop in the market value of gold.

Willemstad, January 20, 2017

Centrale Bank van Curaçao en Sint Maarten

³ USONA is the foundation in charge with the construction of the new hospital in Curaçao.