

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

January 2014

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	31-Jan-14	31-Dec-13		31-Jan-14	31-Dec-13
Claims on nonresidents	3,220.8	80.4	Liabilities to nonresidents	533.8	2.2
Gold	941.4	37.3	Deposits of nonresidents in foreign currency	533.8	2.2
Official reserves	2,161.4	53.2			
Securities and loans	118.1	-10.0			
Domestic assets	487.2	-20.9	Domestic liabilities	2,308.3	17.8
			Currency in circulation	405.6	-20.4
Claims on the government	0.4	0.0	Government deposits	305.2	3.0
Government paper in portfolio	0.4	0.0	Government of Curacao	104.8	4.3
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	0.1	0.0
Other	0.0	0.0	Former Central Government	74.6	-1.3
			Government agencies and institutions	125.7	0.0
Claims on deposit money banks	0.0	-18.8	Liabilities to deposit money banks	1,304.4	30.3
Current account balances	0.0	-18.8	Current account balances	238.8	7.5
			Certificates of Deposit	14.0	0.0
			Required reserves	1,051.6	22.8
Claims on other sectors	486.8	-2.1	Liabilities to other sectors	293.1	4.8
Other assets	486.8	-2.1	Deposits of other residents	200.0	5.8
			Other liabilities	93.1	-1.0
			Capital and reserves	866.0	39.5
Total assets	3,708.1	59.5	Total liabilities	3,708.0	59.5

During the month of January 2014, the Bank continued to direct its monetary policy at reducing the liquidity in the domestic money market. The percentage of the reserve requirement, the main instrument, was increased by 0.25 percentage point to 17.25%. This instrument aims at influencing commercial banks' liquidity and, hence, the growth in credit extension. Due to the increase in the reserve requirement, the amount of required reserves expanded by NAf.22.8 million. During the bi-weekly CD-auctions,¹ the Bank aimed only at the refinancing of maturing CDs. Therefore, the amount of outstanding CDs remained the same.

Base money² decreased by NAf.12.9 million in January 2014, reflecting a decline in the currency in circulation (NAf.20.4 million) mitigated by an increase in the current account balances of the commercial banks (NAf.7.5 million). The decline in currency in circulation is characteristic for January, when the public's demand for cash decreases compared to the December holidays. The increase in the current account balances of the commercial banks was caused primarily by the net sale of foreign exchange to the Bank. The latter explains also the increase in the item "Official reserves" on the assets side of the balance sheet by NAf.53.2 million. However, the increase in the required reserves combined with the repayment of short-term credit extended to a commercial bank by the Bank, mitigated the rise in the current account balances of the commercial banks. The repayment of this short-

¹ Certificates of deposit.

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

term credit explains also the decline by NAf.18.8 million in the item “Claims on deposit money banks” on the assets side of the balance sheet.

The item “Securities and loans” on the assets side of the balance sheet dropped by NAf.10.0 million because of maturing securities held in the portfolio of the Bank. Meanwhile, the item “Liabilities to other sectors” rose by NAf.4.8 million. This rise was caused by an increase of NAf.5.8 million in the item “Deposits of other residents,” largely the result of a rise in the deposits of the public pension fund of Curaçao, Algemeen Pensioenfonds, because of interest earnings on debt securities held in the pension fund’s portfolio.

Finally, the item “Gold” on the assets side of the balance sheet increased by NAf.37.3 million as a result of a higher value at the balance sheet date, compared to the end of the December 2013. The increase in the item “Capital and reserves” on the liabilities side of the balance sheet was related to the rise in the market value of gold.

Willemstad, February 26, 2014

Centrale Bank van Curaçao en Sint Maarten