

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

June 2014

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	30-Jun-14	31-May-14		30-Jun-14	31-May-14
Claims on nonresidents	3,518.6	-75.5	Liabilities to nonresidents	492.0	-386.1
Gold	989.6	48.5	Deposits of nonresidents in foreign currency	492.0	-386.1
Official reserves	2,341.6	-109.7			
Other	187.5	-14.3			
Domestic assets	594.9	50.6	Domestic liabilities	2,710.7	312.0
			Currency in circulation	414.2	-1.1
Claims on the government	0.5	0.0	Government deposits	629.0	331.4
Government paper in portfolio	0.5	0.0	Government of Curacao	351.6	254.5
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	76.9	76.8
Other	0.0	0.0	Former Central Government	74.8	0.1
			Government agencies and institutions	125.7	0.0
Claims on deposit money banks	111.0	53.5	Liabilities to deposit money banks	1,381.3	-13.9
Current account balances	111.0	53.5	Current account balances	216.5	-25.4
			Certificates of Deposit	20.0	-11.5
			Required reserves	1,144.8	23.0
Claims on other sectors	483.4	-3.0	Liabilities to other sectors	286.3	-4.3
Other assets	483.4	-3.0	Deposits of other residents	193.0	-3.3
			Other liabilities	93.3	-1.0
			Capital and reserves	910.8	49.1
Total assets	4,113.5	-24.9	Total liabilities	4,113.5	-24.9

During the month of June 2014, the Bank continued its monetary policy aimed at tightening of the surplus in the money market. The percentage of the reserve requirement, the main instrument, was increased by 0.25 percentage point to 18.00%. This instrument aims at influencing the liquidity of the commercial banks and, hence, the growth in credit extension. Due to the increase in the reserve requirement percentage, the amount of required reserves expanded by NAf.23.0 million. Moreover, the Bank tried to mop up excess liquidity through the auctioning of a higher amount of certificates of deposit (CDs). However, the subscriptions fell short, causing a NAf.11.5 million drop in the outstanding amount of CDs.

Base money¹ decreased by NAf.26.5 million in June 2014, due mainly to a decline in the current account balances of the commercial banks at the Bank (NAf.25.4 million). This decline was caused primarily by the net purchase of foreign exchange from the Bank, the purchase of securities from the Bank's portfolio, and the rise in the required reserves, mitigated by transfers from the account of the government of Sint Maarten with the Bank to its accounts at the commercial banks. The purchase of securities from the Bank's portfolio explains also the decline by NAf.14.3 million in the item "Other" under "Claims on nonresidents" at the assets side of the balance sheet.

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

The item “Official reserves” at the assets side of the balance sheet declined by NAf.109.7 million, due mainly to the net purchase of foreign exchange by the commercial banks at the Bank. Meanwhile, the Bank provided short-term liquidity to a commercial bank during the month of June 2014, reflected by an increase in the item “Claims on deposit money banks” by NAf.53.5 million.

The item “Liabilities to nonresidents” decreased by NAf.386.1 million, due largely to the purchase of debt securities by the Dutch Ministry of the Interior and Kingdom Relations (BZK) which were issued by Curaçao and Sint Maarten on behalf of the construction of the new hospital in Curaçao and infrastructure projects in Sint Maarten. The loans issued explain also the rise in the item “Government deposits” by NAf.331.4 million because of the deposit of the loan proceeds.

Finally, the item “Gold” on the assets side of the balance sheet increased by NAf.48.5 million as a result of a higher value at the balance sheet date compared to the end of May 2014. The increase in the item “Capital and reserves” at the liabilities side of the balance sheet was related to the rise in the market value of gold.

Willemstad, August 6, 2014

Centrale Bank van Curaçao en Sint Maarten