

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

March 2014

(millions of NAf.)

| Assets | Difference compared to | | Liabilities | Difference compared to | |
|--------------------------------------|---------------------------|--------------|--|---------------------------|--------------|
| | 31-Mar-14 | 28-Feb-14 | | 31-Mar-14 | 28-Feb-14 |
| Claims on nonresidents | 3,308.1 | -51.1 | Liabilities to nonresidents | 594.3 | 52.9 |
| Gold | 972.1 | -26.2 | Deposits of nonresidents in foreign currency | 594.3 | 52.9 |
| Official reserves | 2,249.6 | -24.9 | | | |
| Securities and loans | 86.5 | 0.0 | | | |
| Domestic assets | 489.0 | -1.1 | Domestic liabilities | 2,307.4 | -78.6 |
| | | | Currency in circulation | 394.6 | -12.1 |
| Claims on the government | 0.4 | 0.0 | Government deposits | 314.1 | 3.1 |
| Government paper in portfolio | 0.4 | 0.0 | Government of Curacao | 112.4 | 3.2 |
| Government agencies and institutions | 0.0 | 0.0 | Government of Sint Maarten | 0.1 | 0.0 |
| Other | 0.0 | 0.0 | Former Central Government | 75.9 | -0.1 |
| | | | Government agencies and institutions | 125.7 | 0.0 |
| Claims on deposit money banks | 1.4 | 1.4 | Liabilities to deposit money banks | 1,311.5 | -77.5 |
| Current account balances | 1.4 | 1.4 | Current account balances | 176.9 | -79.2 |
| | | | Certificates of Deposit | 50.0 | 10.0 |
| | | | Required reserves | 1,084.6 | -8.3 |
| Claims on other sectors | 487.2 | -2.5 | Liabilities to other sectors | 287.3 | 7.9 |
| Other assets | 487.2 | -2.5 | Deposits of other residents | 191.9 | 7.0 |
| | | | Other liabilities | 95.4 | 0.9 |
| | | | Capital and reserves | 895.4 | -26.5 |
| Total assets | 3,797.1 | -52.2 | Total liabilities | 3,797.1 | -52.2 |

During the month of March 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 17.50%. This instrument aims at influencing the liquidity of the commercial banks and, hence, the growth in credit extension. Despite the increase of the percentage, the outstanding amount of required reserves declined slightly (NAf.8.3 million) because of the lower base amount¹ on which it is calculated. In addition, the Bank auctioned Certificates of Deposit (CDs) in order to reduce the liquidity in the money market. Therefore, the amount of the outstanding CDs rose by NAf.10.0 million.

Base money² decreased by NAf.91.3 million in March 2014, due to a fall in the current account balances of the commercial banks (NAf.79.2 million) and in the currency in circulation (NAf.12.1 million). The decline in the current account balances was largely the result of the net purchase of foreign exchange at the Bank and the purchase of CD's, mitigated by a transfer by the public pension fund of Curaçao, Algemeen Pensionfonds, from its account at the commercial banks towards its account at the Bank.

The rise in the item "Deposits of nonresidents in foreign currency" (NAf.52.9 million) was due to the net transactions carried out by a commercial bank in Bonaire to its account with

¹ Domestic debt -/- long-term deposits.

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

the Bank. These transactions mitigated the decline in the item “Official reserves” on the assets side of the balance sheet (NAf.24.9 million) due to 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.26.2 million as a result of a lower value at the balance sheet date, compared to the end of February 2014. 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, May 9, 2014

Centrale Bank van Curaçao en Sint Maarten