

## Condensed Balance Sheet

### CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

May 2014

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	31-May-14	30-Apr-14		31-May-14	30-Apr-14
<b>Claims on nonresidents</b>	<b>3,594.1</b>	<b>252.9</b>	<b>Liabilities to nonresidents</b>	<b>878.1</b>	<b>274.9</b>
Gold	941.0	-28.6	Deposits of nonresidents in foreign currency	878.1	274.9
Official reserves	2,451.3	281.5			
Other	201.8	0.0			
<b>Domestic assets</b>	<b>550.1</b>	<b>28.7</b>	<b>Domestic liabilities</b>	<b>2,398.7</b>	<b>33.4</b>
			<b>Currency in circulation</b>	<b>415.3</b>	<b>-3.7</b>
<b>Claims on the government</b>	<b>0.5</b>	<b>0.0</b>	<b>Government deposits</b>	<b>297.6</b>	<b>-0.9</b>
Government paper in portfolio	0.5	0.0	Government of Curacao	97.1	3.0
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	0.1	0.0
Other	0.0	0.0	Former Central Government	74.7	-3.8
			Government agencies and institutions	125.7	0.0
<b>Claims on deposit money banks</b>	<b>57.4</b>	<b>28.4</b>	<b>Liabilities to deposit money banks</b>	<b>1,395.3</b>	<b>43.6</b>
Current account balances	57.4	28.4	Current account balances	241.9	24.2
			Certificates of Deposit	31.5	-11.0
			Required reserves	1,121.9	30.4
<b>Claims on other sectors</b>	<b>492.2</b>	<b>0.3</b>	<b>Liabilities to other sectors</b>	<b>290.6</b>	<b>-5.5</b>
Other assets	492.2	0.3	Deposits of other residents	196.3	-2.9
			Other liabilities	94.3	-2.6
			<b>Capital and reserves</b>	<b>867.5</b>	<b>-26.8</b>
<b>Total assets</b>	<b>4,144.3</b>	<b>281.6</b>	<b>Total liabilities</b>	<b>4,144.3</b>	<b>281.6</b>

During the month of May 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 17.75%. 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.30.4 million. Furthermore, 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.11.0 million drop in the outstanding amount of CDs.

Base money<sup>1</sup> rose by NAf.20.5 million in May 2014, reflecting an increase in the current account balances of the commercial banks (NAf.24.2 million). The growth in the current account balances was caused primarily by the net sale of foreign exchange to the Bank.

The item “Liabilities to nonresidents” increased by NAf.274.9 million, due largely to a transfer by the Dutch Ministry of the Interior and Kingdom Relations (BZK) from a foreign account to its account with the Bank. The transfer was related to the purchase of debt securities issued by the countries of Curaçao and Sint Maarten in the beginning of June 2014, on which the Dutch State automatically subscribes because of the standing subscription.

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

This transaction also explains the increase by NAf.281.5 million in the item “Official reserves” on the assets side of the balance sheet.

In addition, the Bank provided short-term liquidity to a commercial bank during the month of May 2014, reflected by a rise in the item “Claims on deposit money banks” by NAf.28.4 million.

Finally, the item “Gold” on the assets side of the balance sheet decreased by NAf.28.6 million as a result of a lower value at the balance sheet date, compared to the end of April 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, June 24, 2014

**Centrale Bank van Curaçao en Sint Maarten**