

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

October 2014

(millions of NAf.)

| Assets | Difference compared to | | Liabilities | Difference compared to | |
|--------------------------------------|---------------------------|--------------|--|---------------------------|--------------|
| | 31-Oct-14 | 30-Sep-14 | | 31-Oct-14 | 30-Sep-14 |
| Claims on nonresidents | 3,444.3 | -77.2 | Liabilities to nonresidents | 497.2 | 18.6 |
| Gold | 876.1 | -39.3 | Deposits of nonresidents in foreign currency | 497.2 | 18.6 |
| Official reserves | 2,393.2 | -37.9 | | | |
| Other | 174.9 | -0.1 | | | |
| Domestic assets | 547.2 | 65.0 | Domestic liabilities | 2,698.5 | 9.8 |
| | | | Currency in circulation | 406.2 | 3.8 |
| Claims on the government | 0.6 | 0.0 | Government deposits | 435.5 | -21.7 |
| Government paper in portfolio | 0.6 | 0.0 | Government of Curacao | 166.3 | -21.0 |
| Government agencies and institutions | 0.0 | 0.0 | Government of Sint Maarten | 72.1 | -2.4 |
| Other | 0.0 | 0.0 | Former Central Government | 71.5 | 1.7 |
| | | | Government agencies and institutions | 125.7 | 0.0 |
| Claims on deposit money banks | 61.1 | 61.1 | Liabilities to deposit money banks | 1,502.9 | 21.6 |
| Current account balances | 61.1 | 61.1 | Current account balances | 308.8 | -8.3 |
| | | | Certificates of Deposit | 85.0 | 20.0 |
| | | | Required reserves | 1,109.1 | 10.0 |
| Claims on other sectors | 485.6 | 3.9 | Liabilities to other sectors | 353.9 | 6.0 |
| Other assets | 485.6 | 3.9 | Deposits of other residents | 256.2 | 4.9 |
| | | | Other liabilities | 97.7 | 1.1 |
| | | | Capital and reserves | 795.8 | -40.6 |
| Total assets | 3,991.5 | -12.2 | Total liabilities | 3,991.5 | -12.2 |

During the month of October 2014, the Bank continued its monetary policy aimed at a tightening of the surplus in the money market by auctioning more Certificates of Deposit (CDs). As a result, the outstanding amount of CDs rose by NAf.20.0 million. By contrast, the percentage of the reserve requirement remained unchanged at 18.00%. Nevertheless, the amount of required reserves increased by NAf.10.0 million due to the higher base amount¹ upon which it is calculated.

Base money² dropped by NAf.4.5 million due to a decline in the current account balances of the commercial banks at the Bank (NAf.8.3 million). The decline in the current account balances was largely the result of the rise in the required reserves, the purchase of CDs, and the net purchase of foreign exchange by the commercial banks from the Bank. The latter explains also the decline by NAf.37.9 million in the item "Official reserves" on the assets side of the balance sheet. In addition, the Bank provided short-term liquidity to the commercial banks during the month of October 2014, reflected by an increase in the item "Claims on deposit money banks" by NAf.61.1 million.

The item "Liabilities to nonresidents" increased by NAf.18.6 million, due largely to 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

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.

Curaçao and Sint Maarten that are held by the Dutch State. Meanwhile, the net position of the governments with the Bank worsened by NAf.21.7 million due mainly to the aforementioned interest payments by the government of Curaçao to the Dutch State.

Finally, the item “Gold” decreased by NAf.39.3 million as a result of the lower market value at the balance sheet date compared to the end of September 2014. The decrease in the item “Capital & reserves” at the liabilities side of the balance sheet was related to the drop in the market value of gold.

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Willemstad, November 17, 2014