

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

September 2014

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	30-Sep-14	31-Aug-14		30-Sep-14	31-Aug-14
Claims on nonresidents	3,521.5	-10.4	Liabilities to nonresidents	478.6	-45.2
Gold	915.4	-52.1	Deposits of nonresidents in foreign currency	478.6	-45.2
Official reserves	2,431.1	41.7			
Other	175.0	0.0			
Domestic assets	482.2	-29.5	Domestic liabilities	2,688.8	58.2
			Currency in circulation	402.4	10.0
Claims on the government	0.6	0.0	Government deposits	457.2	-2.2
Government paper in portfolio	0.6	0.0	Government of Curaçao	187.3	1.7
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	74.5	-1.0
Other	0.0	0.0	Former Central Government	69.8	-2.9
			Government agencies and institutions	125.7	0.0
Claims on deposit money banks	0.0	-18.2	Liabilities to deposit money banks	1,481.2	58.4
Current account balances	0.0	-18.2	Current account balances	317.1	51.9
			Certificates of Deposit	65.0	25.0
			Required reserves	1,099.2	-18.5
Claims on other sectors	481.7	-11.3	Liabilities to other sectors	347.9	-8.1
Other assets	481.7	-11.3	Deposits of other residents	251.3	-8.3
			Other liabilities	96.6	0.2
			Capital and reserves	836.4	-52.8
Total assets	4,003.7	-39.9	Total liabilities	4,003.7	-39.9

During the month of September 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 consequence, the amount of the outstanding CDs rose by NAf.25.0 million. By contrast, the percentage of the reserve requirement remained unchanged at 18.00%. Nevertheless, the amount of required reserves decreased by NAf.18.5 million due to the lower base amount¹ upon which it is calculated.

Base money² increased (NAf.61.9 million) due to increases in the current account balances of the commercial banks (NAf.51.9 million) and the currency in circulation (NAf.10.0 million). The growth in the current account balances of the commercial banks can be ascribed to, among other things, transfers by commercial banks in Bonaire, the net sale of foreign exchange to the Bank, and the drop in the required reserves. Furthermore, transfers from USONA³ and the government pension fund of Curaçao (APC) from their accounts at the Bank towards their accounts at the commercial banks contributed to the increase in the current account balances. The transfers from USONA and APC also explain the drop in the item "Deposits of other residents" (NAf.8.3 million) on the liabilities side of the balance sheet.

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.

³ USONA is the foundation that approves and funds development projects in Curaçao and Sint Maarten.

The increase in the current account balances of the commercial banks was partly offset by the purchase of CDs. In addition, short-term credit extended to the commercial banks by the Bank was repaid. This repayment is expressed by the decline of NAf.18.2 million in the item “Claims on deposit money banks” on the assets side of the balance sheet.

The item “Liabilities to nonresidents” declined by NAf.45.2 million due to the aforementioned transfers carried out by some of the banks in Bonaire towards the local commercial banks. In addition, the repayment of matured debt securities and interest payments⁴ by the Dutch State Treasury Agency (DSTA) towards the APC contributed also to the decline.

The increase in the item “Official reserves” on the assets side of the balance sheet (NAf.41.7 million) is largely attributable to the net sale of foreign exchange by the commercial banks to the Bank. By contrast, the item “Gold” decreased by NAf.52.1 million as a result of a lower value at the balance sheet date compared to the end of August 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.

Finally, the item “Claims on other sectors” decreased by NAf.11.3 million due to the transfer of collected license fee to the governments of Curaçao and Sint Maarten.

Willemstad, October 29, 2014

Centrale Bank van Curaçao en Sint Maarten

⁴ The Dutch government took over all remaining outstanding debt of the entities of the former Netherlands Antilles.