

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

December 2014

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	31-Dec-14	30-Nov-14		31-Dec-14	30-Nov-14
Claims on nonresidents	3,519.6	58.1	Liabilities to nonresidents	472.8	9.4
Gold	902.4	12.4	Deposits of nonresidents in foreign currency	472.8	9.4
Official reserves	2,443.1	45.7			
Other	174.1	0.0			
Domestic assets	587.3	26.0	Domestic liabilities	2,809.4	63.1
			Currency in circulation	435.8	32.9
Claims on the government	0.6	0.0	Government deposits	423.7	-43.2
Government paper in portfolio	0.6	0.0	Government of Curacao	161.5	-9.0
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	63.2	-36.1
Other	0.0	0.0	Former Central Government	73.2	1.9
			Government agencies and institutions	125.7	0.0
Claims on deposit money banks	87.6	21.5	Liabilities to deposit money banks	1,587.9	70.2
Current account balances	87.6	21.5	Current account balances	388.5	89.9
			Certificates of Deposit	90.1	-10.0
			Required reserves	1,109.4	-9.7
Claims on other sectors	499.1	4.4	Liabilities to other sectors	362.1	3.2
Other assets	499.1	4.4	Deposits of other residents	263.8	5.7
			Other liabilities	98.3	-2.5
			Capital and reserves	824.7	11.5
Total assets	4,106.9	84.0	Total liabilities	4,106.9	84.0

In December 2014, the Bank's monetary policy continued to be directed at a tightening of the surplus in the money market. The Bank tried to mop up excess liquidity through the auctioning of a higher amount of certificates of deposit (CDs). However, due to a shortfall in subscriptions, the amount of outstanding CDs dropped by NAf.10.0 million. Meanwhile, the Bank maintained the percentage of the reserve requirement at 18.00%. Nevertheless, the amount of required reserves decreased by NAf.9.7 million due to the lower base amount¹ upon which it is calculated.

Base money² increased by NAf.122.8 million in December 2014, reflecting increases in the current account balances of the commercial banks (NAf.89.9 million) and the value of currency in circulation (NAf.32.9 million). Currency in circulation grew due to the higher demand for cash by the public in connection with the holidays. The increase in the current account balances was due to, among other things, a transaction by the government of Sint Maarten towards its account at a commercial bank related primarily to the purchase of the Emilio Wilson Estate. Also, the transfer of funds by USONA³ and the public pension fund of Curaçao, Algemeen Pensioenfonds, from their accounts with the Bank to their accounts at the commercial banks, and the net sale of foreign exchange by the commercial banks to the Bank contributed to the increase of the current account balances of the commercial

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.

banks. The net sale of foreign exchange to the Bank also explains the increase in the item “Official reserves” on the assets side of the balance sheet by NAf.45.7 million.

In addition, the Bank provided short-term liquidity to the commercial banks during the month of December 2014, reflected by an increase in the item “Claims on deposit money banks” by NAf.21.5 million.

The net position of the government with the Bank worsened by NAf.43.2 million. This worsening was related mainly to the aforementioned transfer by the government of Sint Maarten from its account at the Bank towards its account at a commercial bank.

Finally, the item “Gold” increased by NAf.12.4 million as a result of the higher market value at the balance sheet date compared to the end of November 2014. The increase in the item “Capital & reserves” at the liabilities side of the balance sheet was related to the rise in the market value of gold.

Willemstad, January 28, 2014

Centrale Bank van Curaçao en Sint Maarten