

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

February 2016

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	02/29/16	01/31/16		02/29/16	01/31/16
Claims on nonresidents	3,481.5	75.6	Liabilities to nonresidents	384.6	-14.1
Gold	929.3	92.6	Deposits of nonresidents in foreign currency	384.6	-14.1
Official reserves	2,524.8	-17.0			
Other	27.5	0.0			
Domestic assets	672.2	29.6	Domestic liabilities	2,881.0	26.1
			Currency in circulation	434.7	-2.7
Claims on the government	0.2	0.2	Government deposits	469.6	4.1
Government paper in portfolio	0.2	0.2	Government of Curacao	369.5	4.2
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	34.4	-0.1
Other	0.0	0.0	Former Central Government	65.3	0.0
			Government agencies and institutions	0.4	0.0
Claims on deposit money banks	170.2	20.3	Liabilities to deposit money banks	1,859.3	21.8
Current account balances	170.2	20.3	Current account balances	482.2	-17.7
			Certificates of Deposit	210.8	29.2
			Required reserves	1,166.3	10.3
Claims on other sectors	501.8	9.0	Liabilities to other sectors	117.5	2.9
Other assets	501.8	9.0	Deposits of other residents	62.4	7.2
			Other liabilities	55.1	-4.3
			Capital and reserves	888.2	93.0
Total assets	4,153.7	105.1	Total liabilities	4,153.7	105.1

During the month of February 2016, the Bank continued to direct its monetary policy at tightening the surplus in the money market by auctioning more certificates of deposit (CDs). As a result, the outstanding amount of CDs rose by NAf.29.2 million. Meanwhile, the Bank maintained the percentage of the reserve requirement at 18.00%. Nevertheless, the amount of required reserves increased by NAf.10.3 million due to the higher base amount¹ upon which it is calculated.

Base money² decreased by NAf.20.4 million in February 2016 as a result of a decline in the current account balances of the commercial banks (NAf.17.7 million) and in the currency in circulation (NAf.2.7). The decline in the current account balances was caused primarily by the higher outstanding amount of CDs, the rise in the required reserves, and the net purchase of foreign exchange from the Bank. However, the transfer of funds by the Dutch State Treasury Agency (DSTA) towards the commercial banks related to principal and interest payments on debt securities taken over under the debt relief program moderated the decline in the current account balances. Also, USONA³ transferred funds from its account at the Bank towards its accounts at the commercial banks. Furthermore, the Bank provided

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 in charge with approving and funding development projects and the construction of the new hospital in Curaçao.

short-term liquidity to the commercial banks during the month of February 2016, reflected by an increase in the item “Claims on deposit money banks” by NAf.20.3 million.

The item “Liabilities to nonresidents” decreased by NAf.14.1 million largely as a result of the transfer by the Bank of part of the frozen deposits of a bank placed under the emergency measure to its account holders. In addition, transactions by some commercial banks in Bonaire contributed to the decrease in this item.

The net position of the governments with the Bank improved by NAf.4.1 million due mainly to the transfer of collected license fee to the government of Curaçao. Furthermore, the item “Liabilities to other sectors” increased by NAf.2.1 million as a result of principal and interest payments by the DSTA on debt securities held by the public sector pension fund of Curaçao, APC, mitigated by the aforementioned transfers by USONA.⁴

On the assets side of the balance sheet, the item “Claims on other sectors” rose by NAf.9.0 million due mainly to an increase in license fee receivable. Meanwhile, the decline by NAf.17.0 million in the item “Official reserves” reflected mainly the net purchase of foreign exchange by the commercial banks from the Bank.

Finally, the item “Gold” on the assets side of the balance sheet increased by NAf.92.6 million as a result of a higher market value at the balance sheet date compared to the end of January 2016. The increase in the item “Capital and reserves” on the liabilities side of the balance sheet was related to the rise in the market value of gold.

Willemstad, March 29, 2016

Centrale Bank van Curaçao en Sint Maarten

⁴ USONA is the foundation in charge with the construction of the new hospital in Curaçao.