

Condensed Balance Sheet  
CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

**December 2013**

(millions of NAf.)

Assets	31-Dec-13	Difference compared to 30-Nov-13	Liabilities	31-Dec-13	Difference compared to 30-Nov-13
<b>Claims on nonresidents</b>	<b>3,140.8</b>	<b>-32.3</b>	<b>Liabilities to nonresidents</b>	<b>531.6</b>	<b>-5.2</b>
Gold	904.1	-38.8	Deposits of nonresidents in foreign currency	531.6	-5.2
Official reserves	2,108.5	6.4			
Securities and loans	128.1	0.0			
<b>Domestic assets</b>	<b>509.4</b>	<b>4.5</b>	<b>Domestic liabilities</b>	<b>2,294.5</b>	<b>16.1</b>
			<b>Currency in circulation</b>	<b>425.9</b>	<b>25.5</b>
<b>Claims on the government</b>	<b>0.4</b>	<b>0.0</b>	<b>Government deposits</b>	<b>302.2</b>	<b>-95.0</b>
Government paper in portfolio	0.4	0.0	Government of Curacao	100.5	-95.6
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	0.1	0.0
Other	0.0	0.0	Former Central Government	75.9	0.6
			Government agencies and institutions	125.7	0.0
<b>Claims on deposit money banks</b>	<b>18.8</b>	<b>0.1</b>	<b>Liabilities to deposit money banks</b>	<b>1,274.1</b>	<b>65.9</b>
Current account balances	18.8	0.1	Current account balances	231.2	71.3
			Certificates of Deposit	14.0	-7.0
			Required reserves	1,028.9	1.6
<b>Claims on other sectors</b>	<b>490.3</b>	<b>4.4</b>	<b>Liabilities to other sectors</b>	<b>292.3</b>	<b>19.6</b>
Other assets	490.3	4.4	Deposits of other residents	194.3	20.3
			Other liabilities	98.1	-0.6
			<b>Capital and reserves</b>	<b>824.2</b>	<b>-38.7</b>
<b>Total assets</b>	<b>3,650.2</b>	<b>-27.8</b>	<b>Total liabilities</b>	<b>3,650.2</b>	<b>-27.8</b>

During the month of December 2013, the Bank continued its monetary policy aimed at a tightening of the surplus in the money market. The percentage of the reserve requirement, the main instrument, was increased with 0.25 percentage point to 17.00%. This instrument aims at influencing the liquidity of the commercial banks and, hence, the growth in credit extension. Nevertheless, despite the increase of the percentage, the outstanding amount of required reserves remained practically the same because of the lower base amount<sup>1</sup> on which it is calculated. During the bi-weekly auctions of Certificates of Deposit (CDs), the Bank focused only on refinancing maturing CDs. However, the subscriptions fell short, causing a NAf.7.0 million drop in the outstanding amount of CDs.

Base money<sup>2</sup> increased by NAf.96.8 million in December 2013, reflecting an increase in the current account balances of the commercial banks (NAf.71.3 million) and a growth in the value of currency in circulation (NAf.25.5 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, the transfer of funds by the government of Curaçao and USONA<sup>3</sup> from their accounts at the Bank towards their

<sup>1</sup> Domestic debt -/- long-term deposits.

<sup>2</sup> The sum of currency in circulation and the current account balances of the commercial banks at the Bank.

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

accounts at the commercial banks. The increase in the current account balances of the commercial banks was mitigated by the net sale of foreign exchange to the Bank.

The item “Government deposits” dropped by NAf.95.0 million due to the aforementioned transfer of funds by the government of Curaçao from its account at the Bank towards its accounts at the commercial banks. Also, the government of Curaçao made transfers towards USONA regarding the construction of a new hospital in Curaçao.

Furthermore, the item “Liabilities to other sectors” rose by NAf.19.6 million. This rise was caused by an increase of NAf.20.3 million in the item “Deposits of other residents,” largely the result of a higher balance of the public pension fund of Curaçao because of interest earnings on debt securities issued by the former Netherlands Antilles and taken over by the Netherlands under the debt relief program. The increase was also the result of transactions carried out by USONA during the month of December 2013.

The item “Official reserves” on the assets side of the balance sheet rose by NAf.6.4 million due to the aforementioned net sale of foreign exchange by the commercial banks, mitigated by transfers of funds to abroad by USONA.

Finally, the item “Gold” on the assets side of the balance sheet decreased by NAf.38.8 million as a result of a lower market value at the balance sheet date, compared to the end of November 2013. The decrease in the item “Capital and reserves” on the liabilities side of the balance sheet was related to the decline in the market value of gold.

Willemstad, January 21, 2014

**Centrale Bank van Curaçao en Sint Maarten**