

Condensed Balance Sheet
CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

May 2013

(millions of NAf.)

Assets	31-May-13	Difference compared to 30-Apr-13	Liabilities	31-May-13	Difference compared to 30-Apr-13
Claims on nonresidents	3,180.9	-42.8	Liabilities to nonresidents	625.9	-3.6
Gold	1,049.4	-56.1	Deposits of nonresidents in foreign currency	625.9	-3.6
Official reserves	1,974.3	23.6			
Securities and loans	157.2	-10.3			
Domestic assets	482.3	4.9	Domestic liabilities	2,070.7	20.4
			Currency in circulation	386.0	-11.5
Claims on the government	0.2	0.0	Government deposits	131.0	1.9
Government paper in portfolio	0.2	0.0	Government of Curacao	57.1	2.5
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	0.1	0.0
Other	0.0	0.0	Former Central Government	73.4	-0.5
			Government agencies and institutions	0.4	0.0
Claims on deposit money banks	3.8	3.8	Liabilities to deposit money banks	1,278.8	23.9
Current account balances	3.8	3.8	Current account balances	241.4	-16.4
			Certificates of Deposit	27.0	27.0
			Required reserves	1,010.4	13.2
Claims on other sectors	478.3	1.1	Liabilities to other sectors	274.8	6.1
Other assets	478.3	1.1	Deposits of other residents	178.7	4.6
			Other liabilities	96.1	1.5
			Capital and reserves	966.7	-54.7
Total assets	3,663.2	-37.9	Total liabilities	3,663.2	-37.9

During the month of May 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, remained at 15.75%. This instrument aims at influencing the liquidity of the commercial banks and, hence, the growth in credit extension. Despite the unchanged percentage, the amount of required reserves expanded by NAf.13.2 million due to an increase in the base amount¹ upon which they are calculated. Furthermore, the Bank auctioned Certificates of Deposit (CDs) in order to reduce the liquidity in the money market. Contrary to April, when the commercial banks did not subscribe on the CD auction, NAf.27.0 million was auctioned in May. Therefore, the amount of outstanding CDs rose by NAf.27.0 million.

Base money² dropped by NAf.27.9 million, due to a decline in the current account balances of the commercial banks at the Bank (NAf.16.4 million) and the currency in circulation (NAf.11.5 million). The decline in the current account balances of the commercial banks was the result of, among other things, the rise in the required reserves and the purchase of CDs. Also, the commercial banks purchased securities that were held in the Bank's portfolio, which explains the decline by NAf.10.3 million in the item "Securities and loans" on the assets side of the balance sheet. The net sale of foreign exchange by the commercial banks to the Bank partly offset the decline in the current account balances of the commercial banks.

¹ Domestic debt -/- long-term deposits.

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

This was reflected in the increase (NAf.23,6 million) of the item "Official reserves" on the assets side of the balance sheet.

Finally, the item "Gold" on the assets side of the balance sheet decreased by NAf.56.1 million as a result of a lower market value at the balance sheet date, compared to the end of April 2013. The decrease in the item "Capital and reserves" on the liabilities side of the balance sheet was related to the decline of the market value of gold.

Willemstad, June 25, 2013

Centrale Bank van Curaçao en Sint Maarten