

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

July 2018

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	31-Jul-18	30-Jun-18		31-Jul-18	30-Jun-18
Claims on nonresidents	3,597.7	-45.4	Liabilities to nonresidents	293.6	13.3
Gold	918.8	-22.2	Deposits of nonresidents in foreign currency	293.6	13.3
Official reserves	2,679.0	-23.2			
Other	0.0	0.0			
Domestic assets	670.8	13.7	Domestic liabilities	3,113.1	-24.5
			Currency in circulation	462.2	-13.2
Claims on the government	0.1	0.0	Government deposits	150.8	1.8
Government paper in portfolio	0.1	0.0	Government of Curacao	81.3	-4.7
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	67.4	6.4
Other	0.0	0.0	Former Central Government	1.8	0.0
			Government agencies and institutions	0.4	0.0
Claims on deposit money banks	191.3	13.6	Liabilities to deposit money banks	2,366.9	-16.9
Current account balances	191.3	13.6	Current account balances	1,016.9	36.3
			Certificates of Deposit	35.0	-21.0
			Required reserves	1,315.0	-32.2
Claims on other sectors	479.5	0.2	Liabilities to other sectors	133.3	3.8
Other assets	479.5	0.2	Deposits of other residents	76.5	11.9
			Other liabilities	56.9	-8.0
			Capital and reserves	861.8	-20.5
Total assets	4,268.6	-31.7	Total liabilities	4,268.6	-31.7

During the month of July 2018, the Bank maintained the reserve requirement at 18.00%. Nevertheless, the amount of required reserves decreased by NAf.32.2 million due to the lower base amount¹ upon which it is calculated. Furthermore, on the bi-weekly auctions of certificates of deposit (CDs), the Bank issued a lower amount of CDs causing a NAf.21.0 million decrease in the outstanding amount of CDs.

Base money² rose by NAf.23.1 million due to an increase in the current account balances of the commercial banks (NAf.36.3 million), mitigated by a decrease in the currency in circulation (NAf.13.2 million). The increase in the current account balances was the result of, among other things, the decline in the amount of outstanding CDs and the drop in the required reserves. Furthermore, the government of Sint Maarten and N.V. Pensioen ESC transferred funds from their accounts at the Bank towards their accounts at the commercial banks, while USONA³ made transfers towards the commercial banks for the payment of local creditors regarding the construction of the new hospital in Curaçao. In addition, the Bank provided short-term liquidity to some commercial banks during the month of July, reflected by an increase in the item “Claims on deposit money banks” by NAf.13.6 million.

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 the construction of the new hospital in Curaçao.

The increase in the current account balances was, however, mitigated by the net purchase of foreign exchange by the commercial banks at the Bank.

The item “Liabilities to nonresidents” grew by NAf.13.3 million due to, among other things, transactions carried out by some commercial banks in Bonaire towards their accounts at the Bank. Also, an increase in the deposit of the Dutch Ministry of the Interior and Kingdom Relations (BZK) at the Bank related to interest payments on debt securities issued by the government of Curaçao that are held by the Dutch State contributed to the increase in the item “Liabilities to nonresidents”.

The net position of the government with the Bank improved by NAf.1.8 million because the deposits of the government of Sint Maarten rose (NAf.6.4 million) while those of the government of Curaçao dropped (NAf.4.7 million). The increase in the deposits of the government of Sint Maarten was attributable mainly to the transfer of funds by the World Bank from the Sint Maarten Recovery, Reconstruction and Resilience Trust Fund towards the government of Sint Maarten to finance reconstruction projects.⁴ This increase was, however, mitigated by the transfer of funds by the government of Sint Maarten from its account at the Bank towards its accounts at the commercial banks. Meanwhile, the drop in the deposits of the government of Curaçao was largely the result of the transfer of funds to USONA regarding the construction of the new hospital. Furthermore, the government of Curaçao paid interest on debt securities held by the Dutch State. This drop was, however, partly offset by the transfer of license fees over the months of May and June 2018 by the Bank.

Meanwhile, the item “Liabilities to other sectors” rose by NAf.3.8 million in July. This rise was due to an increase in the item “Deposits of other residents” (NAf.11.9 million) moderated by a decline in the item “Other liabilities” (NAf.8.0 million). The increase in the item “Deposits of other residents” was mainly due to funds received by the public sector pension fund of Curaçao, APC, regarding the repayment of debt securities⁵ by the Dutch State Treasury Agency (DSTA) which were taken over by the Dutch government under the debt relief program, and the payments by the government of Curaçao towards USONA. The drop in the item “Other liabilities” was due to the transfer of license fees over the month of May to the governments of Curaçao and Sint Maarten.

The decline by NAf.23.2 million of the item “Official reserves” on the assets side of the balance sheet was primarily the result of the net purchase of foreign exchange by the commercial banks from the Bank and the payments by USONA to foreign creditors regarding the construction of the new hospital in Curaçao. This decline was, however, moderated by the transactions carried out by some commercial banks in Bonaire, the transfers by the DSTA for the payment of matured debt securities and the transfer of funds by the World Bank for the reconstruction of Sint Maarten. Also, N.V. Pensioen ESC transferred funds from abroad that were deposited on its accounts at the commercial banks.

Finally, the item “Gold” on the assets side of the balance sheet dropped by NAf.22.2 million as a result of the lower market value at the balance sheet date compared to the end of June

⁴ The Sint Maarten Recovery, Reconstruction and Resilience Trust Fund supports recovery efforts, helps the government of Sint Maarten prepare projects with well-defined development objectives, and provides capacity support for effective, efficient and transparent project execution. The Dutch government has made €470 million (NAf.1.0 billion) available for the fund that is managed by the World Bank.

⁵ The Dutch government took over all remaining outstanding debt of the entities of the former Netherlands Antilles.

2018. The decrease in the item “Capital and reserves” on the liabilities side of the balance sheet was related to the drop in the market value of gold.

Willemstad, September 5, 2018

Centrale Bank van Curaçao en Sint Maarten