

# Condensed Balance Sheet

## CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

**November 2018**

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	30-Nov-18	31-Oct-18		30-Nov-18	31-Oct-18
<b>Claims on nonresidents</b>	<b>3,260.5</b>	<b>119.1</b>	<b>Liabilities to nonresidents</b>	<b>340.6</b>	<b>7.5</b>
Gold	916.2	2.0	Deposits of nonresidents in foreign currency	340.6	7.5
Official reserves	2,344.3	117.1			
Other	0.0	0.0			
<b>Domestic assets</b>	<b>794.7</b>	<b>14.7</b>	<b>Domestic liabilities</b>	<b>2,866.1</b>	<b>141.3</b>
			<b>Currency in circulation</b>	<b>471.0</b>	<b>3.7</b>
<b>Claims on the government</b>	<b>0.1</b>	<b>0.0</b>	<b>Government deposits</b>	<b>110.4</b>	<b>8.2</b>
Government paper in portfolio	0.1	0.0	Government of Curacao	53.4	18.3
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	54.8	-10.1
Other	0.0	0.0	Former Central Government	1.8	0.0
			Government agencies and institutions	0.4	0.0
<b>Claims on deposit money banks</b>	<b>287.9</b>	<b>-1.5</b>	<b>Liabilities to deposit money banks</b>	<b>2,154.4</b>	<b>124.6</b>
Current account balances	287.9	-1.5	Current account balances	832.0	128.0
			Certificates of Deposit	8.0	-5.0
			Required reserves	1,314.4	1.7
<b>Claims on other sectors</b>	<b>506.7</b>	<b>16.2</b>	<b>Liabilities to other sectors</b>	<b>130.3</b>	<b>4.7</b>
Other assets	506.7	16.2	Deposits of other residents	68.8	1.8
			Other liabilities	61.5	2.9
			<b>Capital and reserves</b>	<b>848.5</b>	<b>-15.0</b>
<b>Total assets</b>	<b>4,055.2</b>	<b>133.7</b>	<b>Total liabilities</b>	<b>4,055.2</b>	<b>133.7</b>

During the month of November 2018, the Bank maintained the reserve requirement at 18.00%. Nevertheless, the amount of required reserves increased slightly by NAf.1.7 million due to the higher base amount<sup>1</sup> 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.5.0 million decrease in the outstanding amount.

Base money<sup>2</sup> rose by NAf.131.7 million due mainly to an increase in the current account balances of the commercial banks (NAf.128.0 million). This increase was primarily the result of the net sale of foreign exchange by the commercial banks to the Bank. In addition, the transfer of funds by the government of Sint Maarten and N.V. Pensioen ESC from their accounts at the Bank towards their accounts at the commercial banks, payments by USONA<sup>3</sup> to local creditors regarding the construction of the new hospital in Curaçao, and the purchase of bonds issued by Sint Maarten Harbour Finance N.V. on the secondary market by the Bank contributed to the increase in the current account balances. Furthermore, part of the short-term credit that was extended to the commercial banks by the Bank was repaid. This repayment explains the decline by NAf.1.5 million in the item “Claims on deposit money banks” on the assets side of the balance sheet.

<sup>1</sup> The base amount is equal to the commercial banks’ domestic liabilities -/- 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 in charge with the construction of the new hospital in Curaçao.

The item “Liabilities to nonresidents” grew by NAf.7.5 million due mainly to funds received from abroad by a bank placed under the emergency measure. Furthermore, the deposits of the Dutch Ministry of the Interior and Kingdom Relations (BZK) at the Bank increased related to interest payments on debt securities issued by the governments of Curaçao and Sint Maarten that are held by the Dutch State. However, transactions carried out by some commercial banks in Bonaire from their accounts with the Bank moderated the increase in the item “Liabilities to nonresidents”.

The net position of the government with the Bank improved by NAf.8.2 million as a result of a rise in the deposits of the government of Curaçao (NAf.18.3 million), mitigated by a decline in the deposits of the government of Sint Maarten (NAf.10.1 million). The increase in the deposits of the government of Curaçao was the result of a transfer of collected dividend tax by the Netherlands related to the BRNC<sup>4</sup> tax arrangement between the Netherlands and Curaçao, the payment of the government of Curaçao’s share in the profit of 2016 and 2017 that the Bank distributed, and the transfer of license fee over the month of October. The increase was moderated by the transfer of funds to USONA regarding the construction of the new hospital. Meanwhile, the drop in the deposits of the government of Sint Maarten was attributable to the transfer of funds from its account at the Bank towards its accounts at the commercial banks and the payment of interest to the Dutch State.

The increase of NAf.4.7 million in the item “Liabilities to other sectors” can be attributed primarily to funds received by the public sector pension fund of Curaçao (APC) from the Dutch State Treasury Agency (DSTA) regarding an annuity loan taken over by the Dutch government under the debt relief program.

On the assets side of the balance sheet, the item “Claims on other sectors” increased by NAf.16.2 million mainly because the Bank purchased bonds issued by the Sint Maarten Harbour Finance N.V. on the secondary market. In addition, the Bank had not yet charged the commercial banks with license fee over the month of October.

Furthermore, the item “Official reserves” rose by NAf.117.1 million driven mainly by the net sale of foreign exchange by the commercial banks to the Bank and the transfer of funds from abroad by N.V. Pensioen ESC, the bank under the emergency measure, the Netherlands (i.e., collected dividend tax), and the DSTA. However, the transactions carried out by the commercial banks in Bonaire and the payments by USONA to foreign creditors moderated the increase in the item “Official reserves”.

Finally, the item “Gold” on the assets side of the balance sheet increased by NAf.2.0 million as a result of the higher market value at the balance sheet date compared to the end of October 2018. By contrast, the item “Capital and reserves” on the liabilities side of the balance sheet dropped by NAf.15.0 million because the Bank paid the governments of Curaçao and Sint Maarten their shares in its profit of 2016 and 2017. This drop was moderated by the rise in the market value of the gold stock.

Willemstad, January 3, 2018

---

<sup>4</sup> As part of the BRNC (Belastingregeling Nederland-Curaçao) tax arrangement, all withholding tax collected on dividends paid by Dutch companies to their parent companies in Curaçao is transferred to the government of Curaçao.

# Centrale Bank van Curaçao en Sint Maarten