

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

December 2018

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	31-Dec-18	30-Nov-18		31-Dec-18	30-Nov-18
Claims on nonresidents	3,330.5	70.0	Liabilities to nonresidents	345.8	5.2
Gold	964.5	48.2	Deposits of nonresidents in foreign currency	345.8	5.2
Official reserves	2,366.1	21.8			
Other	0.0	0.0			
Domestic assets	663.6	-131.1	Domestic liabilities	2,750.8	-115.2
			Currency in circulation	488.4	17.4
Claims on the government	0.1	0.0	Government deposits	82.4	-28.2
Government paper in portfolio	0.1	0.0	Government of Curacao	34.7	-18.9
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	45.5	-9.3
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	287.8	-0.1	Liabilities to deposit money banks	2,046.8	-107.5
Current account balances	287.8	-0.1	Current account balances	748.3	-83.7
			Certificates of Deposit	0.0	-8.0
			Required reserves	1,298.5	-15.9
Claims on other sectors	375.7	-131.0	Liabilities to other sectors	133.2	3.2
Other assets	375.7	-131.0	Deposits of other residents	73.7	4.9
			Other liabilities	59.4	-1.7
			Capital and reserves	897.5	49.0
Total assets	3,994.1	-61.0	Total liabilities	3,994.1	-61.0

During the month of December 2018, the Bank maintained the reserve requirement at 18.00%. Nevertheless, the amount of required reserves decreased by NAf.15.9 million due to the lower base amount¹ upon which it is calculated. Furthermore, the Bank continued to gradually reduce the amount of outstanding certificates of deposit (CDs). Consequently, at the bi-weekly CD-actions, the Bank offered a lower amount of CDs than matured combined with a higher haircut on the interest rates offered. As a result, by the end of December 2018, there were no outstanding CDs anymore and the auctions were temporarily suspended.

Base money² dropped by NAf.66.3 million due to a decrease in the current account balances of the commercial banks (NAf.83.7 million) mitigated by an increase in the currency in circulation (NAf.17.4 million). The growth in currency in circulation was the result of the higher demand for cash by the public in connection with the holidays. The decline in the current account balances of the commercial banks reflected primarily the refinancing of outstanding bonds that were issued in the past by Integrated Utility Holding N.V. This decline was moderated, however, by transfers by the government of Curaçao, the government of Sint Maarten, and N.V. Pensioen ESC from their accounts at the Bank towards their accounts at the commercial banks. Furthermore, the payments by USONA³ to

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.

local creditors regarding the construction of the new hospital in Curaçao, the decline in the required reserves, and the drop in the amount of outstanding CDs mitigated the decline in the current account balances.

The item “Liabilities to nonresidents” grew by NAf.5.2 million due to an increase in the deposits of the Dutch Ministry of the Interior and Kingdom Relations (BZK) at the Bank related to interest payments on debt securities issued by the governments of Curaçao and Sint Maarten that are held by the Dutch State.

The net position of the government with the Bank worsened by NAf.28.2 million because the deposits of both the government of Curaçao (NAf.18.9 million) and the government of Sint Maarten (NAf.9.3 million) dropped. During the month of December 2018, both governments transferred funds from their accounts at the Bank towards their accounts at the commercial banks and made interest payments on debt securities held by the Dutch State. Furthermore, the government of Curaçao transferred funds to USONA regarding the construction of the new hospital. The worsening of the net position of the government with the Bank was, however, moderated by the transfer of license fees of the month of November by the Bank to the government of Curaçao.

The increase of NAf.3.2 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” decreased by NAf.131.0 million mainly because Integrated Utility Holding N.V. refinanced its outstanding bonds and, hence, repaid part of the bonds held in the portfolio of the Bank. Furthermore, the item “Official reserves” rose by NAf.21.8 million driven mainly by the transfer of funds from abroad by N.V. Pensioen ESC and the DSTA, moderated by the payments by USONA to foreign creditors.

Finally, the item “Gold” on the assets side of the balance sheet increased by NAf.48.2 million as a result of the higher market value at the balance sheet date compared to the end of November 2018. 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, February 11, 2019

Centrale Bank van Curaçao en Sint Maarten