

# Condensed Balance Sheet

## CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

**January 2019**

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	31-Jan-19	31-Dec-18		31-Jan-19	31-Dec-18
<b>Claims on nonresidents</b>	<b>3,328.7</b>	<b>-1.8</b>	<b>Liabilities to nonresidents</b>	<b>309.3</b>	<b>-36.5</b>
Gold	995.8	31.3	Deposits of nonresidents in foreign currency	309.3	-36.5
Official reserves	2,333.0	-33.1			
Other	0.0	0.0			
<b>Domestic assets</b>	<b>658.0</b>	<b>-3.6</b>	<b>Domestic liabilities</b>	<b>2,746.4</b>	<b>-2.3</b>
			<b>Currency in circulation</b>	<b>456.4</b>	<b>-32.1</b>
<b>Claims on the government</b>	<b>0.1</b>	<b>0.0</b>	<b>Government deposits</b>	<b>129.5</b>	<b>47.1</b>
Government paper in portfolio	0.1	0.0	Government of Curacao	90.8	56.1
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	36.5	-9.0
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>286.0</b>	<b>-1.8</b>	<b>Liabilities to deposit money banks</b>	<b>2,007.2</b>	<b>-16.0</b>
Current account balances	286.0	-1.8	Current account balances	705.8	-18.9
			Certificates of Deposit	0.0	0.0
			Required reserves	1,301.5	3.0
<b>Claims on other sectors</b>	<b>371.9</b>	<b>-1.8</b>	<b>Liabilities to other sectors</b>	<b>153.3</b>	<b>-1.4</b>
Other assets	371.9	-1.8	Deposits of other residents	92.6	-4.8
			Other liabilities	60.7	3.4
			<b>Capital and reserves</b>	<b>931.0</b>	<b>33.3</b>
<b>Total assets</b>	<b>3,986.7</b>	<b>-5.4</b>	<b>Total liabilities</b>	<b>3,986.7</b>	<b>-5.4</b>

During the month of January 2019, the Bank maintained the reserve requirement at 18.00%. Nevertheless, the amount of required reserves increased by NAf.3.0 million due to the higher base amount<sup>1</sup> upon which it is calculated. Furthermore, after the last auction of certificates of deposit (CD's) on December 3, 2018, the outstanding CDs were paid back upon maturity and the auctions were temporarily suspended.

Base money<sup>2</sup> dropped by NAf.51.0 million due to decreases in the current account balances of the commercial banks (NAf.18.9 million) and the currency in circulation (NAf.32.1 million). The decline in currency in circulation is characteristic for the month of January when the public's demand decreases compared to the December holidays. The current account balances of the commercial banks declined largely as a result of the withdrawal of dollar deposits at the Bank. Furthermore, the transfer of funds by the Postspaarbank (PSB Bank N.V.) from its accounts with the commercial banks towards its account with the Bank and the increase in the required reserves contributed to the decrease in the current account balances. However, the transfers by the public pension fund, APC, the government of Sint Maarten, and N.V. Pensioen ESC from their accounts at the Bank towards their accounts at the commercial banks moderated the drop in the current account balances. Also, the

<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.

payments by USONA<sup>3</sup> to local creditors related to the construction of the new hospital in Curaçao mitigated the decline in the current account balances.

The item “Liabilities to non-residents” declined by NAf.36.5 million due mainly to a decrease in the deposits of the Dutch Ministry of the Interior and Kingdom Relations (BZK) at the Bank related to the purchase of bonds issued by the government of Curaçao. However, interest payments on bonds issued by the government of Curaçao that are held by the Dutch State moderated this decline. Furthermore, transactions by some commercial banks in Bonaire towards their accounts at the Bank mitigated the decline in the item “Liabilities to non-residents”.

The net position of the government with the Bank improved by NAf.47.1 million because of an increase in the deposits of the government of Curaçao (NAf.56.1 million) mitigated by a decrease in the deposits of the government of Sint Maarten (NAf.9.0 million). The rise in the deposits of the government of Curaçao was primarily related to the issuance of a bond loan and the transfer of collected license fees over the month December 2018 by the Bank. However, the interest payments to the Dutch State and the payments to USONA related to the construction of the new hospital moderated the increase in the deposits of the government of Curaçao. The decrease in the deposits of the government of Sint Maarten can be attributed to transfers to its accounts at the commercial banks.

On the assets side of the balance sheet, the item “Official reserves” fell by NAf.33.1 million due mainly to the withdrawal of dollar deposits by the commercial banks at the Bank and the payments by USONA to foreign creditors. However, the transfer of funds from abroad by N.V. Pensioen ESC and the transactions by some commercial banks in Bonaire moderated the decline in the official reserves.

Finally, the item “Gold” on the assets side of the balance sheet increased by NAf.31.3 million as a result of the higher market value at the balance sheet date compared to the end of December 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 26, 2019

**Centrale Bank van Curaçao en Sint Maarten**

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<sup>3</sup> USONA is the foundation in charge with the construction of the new hospital in Curaçao.