

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

February 2019

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	28-Feb-19	31-Jan-19		28-Feb-19	31-Jan-19
Claims on nonresidents	3,456.1	126.9	Liabilities to nonresidents	279.3	-30.0
Gold	992.7	-3.1	Deposits of nonresidents in foreign currency	279.3	-30.0
Official reserves	2,463.5	130.0			
Other	0.0	0.0			
Domestic assets	653.1	-3.2	Domestic liabilities	2,900.8	155.4
			Currency in circulation	462.1	5.7
Claims on the government	0.1	0.0	Government deposits	115.8	-13.6
Government paper in portfolio	0.1	0.0	Government of Curacao	88.9	-1.9
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	24.8	-11.7
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	283.0	-3.0	Liabilities to deposit money banks	1,996.7	-10.6
Current account balances	283.0	-3.0	Current account balances	691.8	-14.0
			Certificates of Deposit	0.0	0.0
			Required reserves	1,304.9	3.4
Claims on other sectors	369.9	-0.2	Liabilities to other sectors	326.2	173.9
Other assets	369.9	-0.2	Deposits of other residents	266.7	174.1
			Other liabilities	59.5	-0.3
			Capital and reserves	929.1	-1.6
Total assets	4,109.2	123.8	Total liabilities	4,109.2	123.8

During the month of February 2019, the Bank maintained the reserve requirement at 18.00%. Nevertheless, the amount of required reserves increased by NAf.3.4 million due to the higher base amount¹ upon which it is calculated.

Base money² decreased by NAf.8.3 million due to a decline in the current account balances of the commercial banks (NAf.14.0 million), mitigated by an increase in the currency in circulation (NAf.5.7 million). The current account balances of the commercial banks declined mainly as a result of the net purchase of foreign exchange, the withdrawal of dollar deposits, and the increase in required reserves at the Bank. Furthermore, the transfer of funds by the Postspaarbank (PSB Bank N.V.) from its accounts at the commercial banks towards its account at the Bank 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. In addition, the payments by USONA³ to local creditors in connection with the construction of the new hospital in Curaçao mitigated the decline in the current account balances. Finally, part of the short-term credit that was extended to the commercial banks by the Bank was repaid. This

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.

repayment explains the decrease by NAf.3.0 million in the item “Claims on deposit money banks” on the assets side of the balance sheet.

The item "Liabilities to non-residents" declined by NAf.30.0 million, mainly as a result of transactions carried out by some commercial banks in Bonaire from their accounts at the Bank.

The net position of government with the Bank deteriorated by NAf.13.6 million due to a decrease in the deposits of both the government of Sint Maarten (NAf.11.7 million) and the government of Curaçao (NAf.1.9 million). The decline in deposits of the government of Sint Maarten can be attributed to transfers to its accounts at the commercial banks and to the payment of interest on debt securities held by the Dutch State. Meanwhile, the decrease in the deposits of the government of Curaçao was due primarily to the payments to USONA related to the construction of the new hospital, moderated by the transfer of license fees collected over the month of January 2019 by the Bank.

Furthermore, the item “Liabilities to other residents” increased by NAf.174.1 million due largely to the transfer of funds from abroad related to the restructuring of a financial institution under the emergency measure by the Bank. This transfer also explains the increase by NAf.130.0 million in the item “Official reserves” on the assets side of the balance sheet. Also, N.V. Pensioen ESC transferred funds from abroad that were deposited on its accounts at the commercial banks. The increase in the item “Official reserves” was, however, moderated by the net purchase of foreign exchange and the withdrawal of dollar deposits by the commercial banks at the Bank, the transactions carried out by the commercial banks in Bonaire, and the payments made by USONA to foreign creditors.

Finally, the item “Gold” on the assets side of the balance sheet decreased by NAf.3.1 million as a result of the lower market value at the balance sheet date compared to the end of January 2019. 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, March 27, 2019

Centrale Bank van Curaçao en Sint Maarten