

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

May 2019

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	31-May-19	30-Apr-19		31-May-19	30-Apr-19
Claims on nonresidents	3,312.4	-86.4	Liabilities to nonresidents	265.0	-40.2
Gold	974.9	10.0	Deposits of nonresidents in foreign currency	265.0	-40.2
Official reserves	2,337.5	-96.4			
Other	0.0	0.0			
Domestic assets	645.0	5.6	Domestic liabilities	2,775.6	-52.2
			Currency in circulation	487.1	15.7
Claims on the government	0.1	0.0	Government deposits	225.6	38.8
Government paper in portfolio	0.1	0.0	Government of Curacao	143.6	3.5
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	79.9	35.4
Other	0.0	0.0	Former Central Government	1.7	0.0
			Government agencies and institutions	0.4	0.0
Claims on deposit money banks	272.5	2.9	Liabilities to deposit money banks	1,802.0	-115.1
Current account balances	272.5	2.9	Current account balances	480.1	-124.9
			Certificates of Deposit	0.0	0.0
			Required reserves	1,321.9	9.9
Claims on other sectors	372.4	2.7	Liabilities to other sectors	261.0	8.3
Other assets	372.4	2.7	Deposits of other residents	199.3	8.7
			Other liabilities	61.6	-0.4
			Capital and reserves	916.7	11.6
Total assets	3,957.3	-80.8	Total liabilities	3,957.3	-80.8

During the month of May 2019, the Bank maintained the reserve requirement at 18.00%. Nevertheless, the amount of the required reserves increased by NAf.9.9 million due to the higher base amount¹ upon which it is calculated.

Base money² decreased by NAf.109.2 million due to a decline in the current account balances of the commercial banks (NAf.124.9 million), moderated by an increase in currency in circulation (NAf.15.7 million). The decrease in the current account balances was mainly the result of the net purchase of foreign exchange and the withdrawal of dollar deposits by the commercial banks at the Bank. Moreover, payments made by the government of Curaçao from its accounts at the commercial banks towards USONA's³ account at the Bank in connection with the construction of the new hospital contributed to the decline in the current account balances. However, the decrease was mitigated by transfers of N.V. Pensioen ESC, Postspaarbank (PSB Bank N.V.), and the government of Sint Maarten from their accounts at the Bank towards their accounts at the commercial banks. In addition, the Bank provided short-term credit to some commercial banks reflected by an increase in the item "Claims on deposit money banks" on the assets side of the balance sheet (NAf.2.9 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 item “Liabilities to non-residents” decreased by NAf.40.2 million, mainly as a result of transfers by the Dutch Ministry of the Interior and Kingdom Relations (BZK) related to the purchase of debt securities issued by the government of Sint Maarten. Transactions carried out by several commercial banks in Bonaire and the Central Bank of Aruba from their accounts at the Bank also contributed to the decrease in the item “Liabilities to non-residents.”

The net position of the governments with the Bank improved by NAf.38.8 million due to an increase in the deposits of both the government of Sint Maarten (NAf.35.4 million) and the government of Curaçao (NAf.3.5 million). The increase in the deposits of the government of Sint Maarten can be attributed to the issuance of a bond loan (NAf.32.9 million) and the transfer of the second tranche of a bridge loan provided by the Dutch State to the country of Sint Maarten.⁴ However, the interest payments to the Dutch State and transfers towards the government’s accounts at the commercial banks moderated the increase in deposits. The increase in the deposits of the government of Curaçao was mainly the result of the transfer of license fees collected over the month of April 2019 by the Bank, moderated by interest payments to the Dutch State.

Furthermore, the item “Liabilities to other sectors” increased by NAf.8.3 million, due largely to the funds received by the public pension fund, APC, from the Dutch State Treasury Agency (DSTA) in connection with an annuity loan taken over under the debt relief program that is held in the portfolio of the APC.

On the assets side of the balance sheet, the item “Official reserves” decreased by NAf.96.4 million as a result of the net purchase of foreign exchange and the withdrawal of dollar deposits by the commercial banks at the Bank, the transactions by the commercial banks in Bonaire and the Central Bank of Aruba, and the payments by USONA to foreign creditors. The decrease was moderated by funds received from abroad by N.V. Pensioen ESC and the transfer by DSTA for the repayment of the annuity loan. Also, the transfer of the second tranche of the bridge loan to the government of Sint Maarten moderated the decline in the item “Official reserves.”

Finally, the item “Gold” on the assets side of the balance sheet increased by NAf.10.0 million as a result of the higher market value at the balance sheet date compared to the end of April 2019. 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, July 10, 2019

Centrale Bank van Curaçao en Sint Maarten

⁴ The bridge loan is intended for the reconstruction of the Princess Juliana International Airport.