

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

June 2019

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	30-Jun-19	31-May-19		30-Jun-19	31-May-19
Claims on nonresidents	3,424.7	111.9	Liabilities to nonresidents	290.7	25.6
Gold	1,060.3	85.4	Deposits of nonresidents in foreign currency	290.7	25.6
Official reserves	2,364.4	26.5			
Other	0.0	0.0			
Domestic assets	640.5	-4.9	Domestic liabilities	2,769.8	-5.9
			Currency in circulation	479.4	-7.7
Claims on the government	0.1	0.0	Government deposits	206.2	-19.4
Government paper in portfolio	0.1	0.0	Government of Curacao	144.5	0.9
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	59.5	-20.4
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	271.3	-1.2	Liabilities to deposit money banks	1,851.2	49.2
Current account balances	271.3	-1.2	Current account balances	526.9	46.8
			Certificates of Deposit	0.0	0.0
			Required reserves	1,324.3	2.4
Claims on other sectors	369.1	-3.7	Liabilities to other sectors	233.0	-28.0
Other assets	369.1	-3.7	Deposits of other residents	174.6	-24.7
			Other liabilities	58.4	-3.3
			Capital and reserves	1,004.8	87.3
Total assets	4,065.2	107.0	Total liabilities	4,065.2	107.0

During the month of June 2019, the Bank maintained the reserve requirement at 18.00%. Nevertheless, the amount of the required reserves increased by NAf.2.4 million due to the higher base amount¹ upon which it is calculated.

Base money² grew by NAf.39.1 million due to an increase in the current account balances of the commercial banks (NAf.46.8 million), moderated by a decrease in currency in circulation (NAf.7.7 million). The increase in the current account balances was mainly the result of transfers by NV Pensioen ESC, Postspaarbank (PSB Bank N.V.), the public pension fund of Curaçao, APC, and the government of Sint Maarten from their accounts at the Bank towards their accounts at the commercial banks. However, the increase in the required reserves moderated the growth of the current account balances.

The item “Liabilities to non-residents” increased by NAf.25.6 million, mainly as a result of transactions carried out by several commercial banks in Bonaire and the Central Bank of Aruba towards their accounts at the Bank. The increase in the deposits of the Dutch Ministry of the Interior and Kingdom Relations (BZK) at the Bank in connection with interest payments on bonds issued by Curaçao and Sint Maarten also contributed to the increase in the item “Liabilities to non-residents”.

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.

The net position of the governments at the Bank worsened by NAf.19.4 million due mainly to a decline in the deposits of the government of Sint Maarten (NAf.20.4 million). This decrease can be attributed to a reduction in outstanding arrears at the public pension fund of Sint Maarten, APS, and interest payments to the Dutch State. The deposits of the government of Curaçao remained practically unchanged because the transfer of license fees collected by the Bank over the month of May 2019 was offset by the interest payments to the Dutch State.

Furthermore, the item “Liabilities to other sectors” decreased by NAf.28.0 million due largely to transfers made by the APC and a financial institution placed under the emergency measure in favor of their accounts at the commercial banks. Also, payments by USONA³ to foreign creditors contributed to the decline of the item “Liabilities to other sectors.”

On the assets side of the balance sheet, the item “Official reserves” increased by NAf.26.5 million as a result of the transfers of funds from abroad by, among others, NV Pensioen ESC and a financial institution under the emergency measure. The increase in official reserves was moderated by USONA's payments to foreign creditors and the net transactions of the commercial banks in Curaçao and Bonaire and the Central Bank of Aruba.

Finally, the item “Gold” on the assets side of the balance sheet increased by NAf.85.4 million as a result of the higher market value at the balance sheet date compared to the end of May 2019. This is the strongest increase since June 2016 and is related to the increasing tensions around Iran, the continuing trade dispute between the United States and China, and a possible interest rate cut by the Federal Reserve. 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 30, 2019

Centrale Bank van Curaçao en Sint Maarten

³ USONA is the foundation in charge with the construction of the new hospital in Curaçao.