

# Condensed Balance Sheet

## CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

**July 2019**

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	31-Jul-19	30-Jun-19		31-Jul-19	30-Jun-19
<b>Claims on nonresidents</b>	<b>3,386.2</b>	<b>-38.5</b>	<b>Liabilities to nonresidents</b>	<b>273.1</b>	<b>-17.6</b>
Gold	1,074.2	14.0	Deposits of nonresidents in foreign currency	273.1	-17.6
Official reserves	2,311.9	-52.5			
Other	0.0	0.0			
<b>Domestic assets</b>	<b>640.9</b>	<b>0.2</b>	<b>Domestic liabilities</b>	<b>2,734.6</b>	<b>-35.2</b>
			Currency in circulation	469.4	-10.0
<b>Claims on the government</b>	<b>0.1</b>	<b>0.0</b>	<b>Government deposits</b>	<b>240.5</b>	<b>34.4</b>
Government paper in portfolio	0.1	0.0	Government of Curaçao	188.0	43.4
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	50.4	-9.1
Other	0.0	0.0	Former Central Government	1.7	0.0
			Government agencies and institutions	0.4	0.0
<b>Claims on deposit money banks</b>	<b>269.0</b>	<b>-2.2</b>	<b>Liabilities to deposit money banks</b>	<b>1,795.7</b>	<b>-55.5</b>
Current account balances	269.0	-2.2	Current account balances	476.3	-50.6
			Certificates of Deposit	0.0	0.0
			Required reserves	1,319.4	-4.9
<b>Claims on other sectors</b>	<b>371.7</b>	<b>2.4</b>	<b>Liabilities to other sectors</b>	<b>229.0</b>	<b>-4.1</b>
Other assets	371.7	2.4	Deposits of other residents	170.9	-3.7
			Other liabilities	58.1	-0.3
			<b>Capital and reserves</b>	<b>1,019.3</b>	<b>14.5</b>
<b>Total assets</b>	<b>4,027.0</b>	<b>-38.3</b>	<b>Total liabilities</b>	<b>4,027.0</b>	<b>-38.3</b>

During the month of July 2019, the Bank maintained the reserve requirement at 18.00%. Nevertheless, the amount of the required reserves decreased by NAf.4.9 million due to the lower base amount<sup>1</sup> upon which it is calculated.

Base money<sup>2</sup> decreased by NAf.60.6 million due to a decline in both the current account balances of the commercial banks (NAf.50.6 million) and currency in circulation (NAf.10.0 million). The decrease in the current account balances was largely the result of the net purchase of foreign exchange and the withdrawal of dollar deposits by the commercial banks at the Bank. However, this decrease was mitigated by the decline in the required reserves and transfers by N.V. Pensioen ESC, the government of Curaçao, the government of Sint Maarten and an institution placed under the emergency measure from their accounts at the Bank towards their accounts at the commercial banks.

The item “Liabilities to non-residents” decreased by NAf.17.6 million, mainly as a result of transactions carried out by some commercial banks in Bonaire and the Central Bank of Aruba from their accounts at the Bank. However, the increase in the deposits of the Dutch Ministry of the Interior and Kingdom Relations (BZK) at the Bank related to interest

<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 on bonds issued by Curaçao moderated the decrease in the item “Liabilities to non-residents”.

The net position of the governments at the Bank improved by NAf.34.4 million due to an increase in deposits of the government of Curaçao (NAf.43.4 million), moderated by a decrease in deposits of the government of Sint Maarten (NAf.9.1 million). The increase in deposits of the government of Curaçao was mainly the result of a transfer of collected dividend tax by the Netherlands related to the former tax arrangement for the Kingdom (BRK). Furthermore, the Bank transferred the collected license fees over the month of June 2019 to the government of Curaçao. The increase in deposits was, however, moderated by the transfer of funds by the government of Curaçao from its account at the Bank towards its accounts at the commercial banks. Also, the government made interest payments on outstanding debt securities that are held by the Dutch State. The decrease in deposits of the government of Sint Maarten can be attributed to the transfer of funds towards the commercial banks related to the reconstruction of Sint Maarten, including the renovation of the Princess Juliana International Airport.

Furthermore, the item “Liabilities to other sectors” decreased by NAf.4.1 million due largely to transfers made by a financial institution placed under the emergency measure from its account at the Bank towards its accounts at the commercial banks. However, the funds received by the public pension fund of Curaçao, APC, from the Dutch State Treasury Agency (DSTA) related to an annuity loan taken over under the debt relief program that is held in the portfolio of the APC mitigated the decline in the item “Liabilities to other sectors”.

On the asset side of the balance sheet, the item “Official reserves” decreased by NAf.52.5 million as a result of the net purchase of foreign exchange and the withdrawal of dollar deposits by the commercial banks at the Bank, together with the transactions by the commercial banks in Bonaire and the Central Bank of Aruba. The decrease in official reserves was moderated by funds received from abroad by NV Pensioen ESC, the transfer by DSTA for the repayment of the annuity loan, the remittances related to the BRK scheme, and the transfer of funds by the World Bank for the reconstruction of Sint Maarten.

Finally, the item “Gold” on the assets side of the balance sheet increased by NAf.14.0 million as a result of the higher market value at the balance sheet date compared to the end of June 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, September 4, 2019

**Centrale Bank van Curaçao en Sint Maarten**