

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

December 2019

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	31-Dec-19	30-Nov-19		31-Dec-19	30-Nov-19
Claims on nonresidents	3,441.6	281.3	Liabilities to nonresidents	303.0	8.4
Gold	1,146.1	47.3	Deposits of nonresidents in foreign currency	303.0	8.4
Official reserves	2,295.5	234.0			
Other	0.0	0.0			
Domestic assets	549.0	-93.7	Domestic liabilities	2,594.4	132.6
			Currency in circulation	505.3	23.9
Claims on the government	0.1	0.0	Government deposits	44.4	-25.1
Government paper in portfolio	0.1	0.0	Government of Curacao	28.1	-19.2
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	14.2	-6.0
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	267.0	0.0	Liabilities to deposit money banks	1,916.7	144.5
Current account balances	267.0	0.0	Current account balances	509.9	135.5
			Certificates of Deposit	124.8	15.0
			Required reserves	1,282.0	-6.0
Claims on other sectors	281.9	-93.7	Liabilities to other sectors	128.0	-10.6
Other assets	281.9	-93.7	Deposits of other residents	61.7	-13.5
			Other liabilities	66.2	2.9
			Capital and reserves	1,093.2	46.6
Total assets	3,990.6	187.5	Total liabilities	3,990.6	187.5

During the month of December 2019, the Bank continued to direct its monetary policy at tightening the surplus in the money market by auctioning “Certificates of Deposit” (CD). As a result, the outstanding amount of CDs increased by NAf.15.0 million. Furthermore, the Bank maintained the percentage of the reserve requirement at 18.00%. Nevertheless, the amount of required reserves decreased by NAf.6.0 million due to the lower base amount¹ upon which it is calculated.

Base money² increased by NAf.159.4 million due to an increase in both the current account balances of the commercial banks (NAf.135.5 million) and currency in circulation (NAf.23.9 million). The increase in currency in circulation was due to the higher demand for cash by the public in connection with the holidays. The increase in the current account balances was mainly the result of the transfer of dollar deposits from abroad and the net sale of foreign exchange by the commercial banks to the Bank. Transfers by pension funds, the government of Curaçao, the government of Sint Maarten, and a financial institution placed under the emergency measure from their accounts at the Bank towards their accounts at the commercial banks also contributed to the increase in the current account balances. The purchase of CDs and the refinancing of outstanding bonds issued by Integrated Utility Holding N.V. have mitigated the increase in the current account balances.

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 item “Liabilities to non-residents” increased by NAf.8.4 million, mainly as a result of transactions carried out by the commercial banks in Bonaire towards their accounts at the Bank. The increase in deposits of the Dutch Ministry of the Interior and Kingdom Relations (BZK) in connection with the payment of interest on bonds issued by Curaçao and Sint Maarten held by the Dutch State also contributed to the increase in this item. The increase was mitigated by a decrease in deposits of the Central Bank of Aruba.

The net position of the governments at the Bank deteriorated by NAf.25.1 million due to decreases in the deposits of the government of Curaçao (NAf.19.2 million) and the government of Sint Maarten (NAf.6.0 million). The decrease in deposits of the government of Curaçao was the result of the transfers of funds towards its accounts at the commercial banks and interest payments on issued bonds. However, the transfer of license fees collected by the Bank over the month of November 2019 moderated the decrease. The decline in deposits of the government of Sint Maarten can be attributed to the transfer of funds towards its accounts at the commercial banks.

Furthermore, the item “Liabilities to other sectors” decreased by NAf.10.6 million as a result of, among other things, transfers from a financial institution placed under the emergency measure and the public pension fund of Curaçao, APC, from their accounts at the Bank towards their accounts at the commercial banks. The decrease was moderated by the transfer of funds from abroad by APC and funds received 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.

On the assets side of the balance sheet, the item “Claims on other sectors” decreased by NAf. 93.7 million mainly because Integrated Utility Holding N.V. refinanced its outstanding bonds that were held in the Bank’s portfolio. Furthermore, the item “Official reserves” increased by NAf.234.0 million due mainly to the transfer of dollar deposits from abroad and the net sale of foreign exchange by the commercial banks. In addition, the transactions carried out by the commercial banks in Bonaire and the funds received from abroad by pension funds also contributed to the increase of the reserves. The transfers by the Central Bank of Aruba to abroad moderated, however, the rise in the official reserves.

Finally, the item “Gold” on the assets side of the balance sheet increased by NAf.47.3 million due to the higher market value on the balance sheet date compared to the end of November 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, January 29, 2019

Centrale Bank van Curaçao en Sint Maarten