

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

April 2018

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	30-Apr-18	31-Mar-18		30-Apr-18	31-Mar-18
Claims on nonresidents	3,654.1	12.6	Liabilities to nonresidents	293.6	31.4
Gold	988.2	-8.0	Deposits of nonresidents in foreign currency	293.6	31.4
Official reserves	2,665.9	20.6			
Other	0.0	0.0			
Domestic assets	667.8	-3.8	Domestic liabilities	3,098.8	-16.0
			Currency in circulation	468.9	-4.3
Claims on the government	0.0	0.0	Government deposits	202.7	-29.7
Government paper in portfolio	0.0	0.0	Government of Curacao	113.0	-19.6
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	87.6	-10.2
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	185.8	-8.0	Liabilities to deposit money banks	2,317.1	17.5
Current account balances	185.8	-8.0	Current account balances	882.3	5.0
			Certificates of Deposit	103.9	-5.1
			Required reserves	1,330.9	17.6
Claims on other sectors	482.0	4.2	Liabilities to other sectors	110.2	0.6
Other assets	482.0	4.2	Deposits of other residents	50.6	1.2
			Other liabilities	59.6	-0.6
			Capital and reserves	929.4	-6.6
Total assets	4,321.8	8.9	Total liabilities	4,321.8	8.9

During the month of April 2018, the Bank maintained the reserve requirement at 18.00%. Nevertheless, the amount of required reserves increased by NAf.17.6 million due to the higher base amount¹ upon which it is calculated. Furthermore, on the bi-weekly auctions of certificates of deposit (CDs), the Bank issued a lower amount of CDs causing a NAf.5.1 million decrease in the outstanding amount of CDs.

Base money² remained practically unchanged because the rise in the current account balances of the commercial banks (NAf.5.0 million) was offset by a decline in the currency in circulation (NAf.4.3 million). The rise in the current account balances was the result of, among other things, the net sale of foreign exchange by the commercial banks to the Bank and the decrease in the amount of outstanding CDs. In addition, the government of Sint Maarten and N.V. Pensioen ESC transferred funds from their accounts at the Bank towards their accounts at the commercial banks. However, the increase in the required reserves dampened the rise in the current account balances. Furthermore, part of the short-term credit that was extended to the commercial banks by the Bank was repaid. This repayment explains the decline by NAf.8.0 million in the item “Claims on deposit money banks” on the assets side of the balance sheet.

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 nonresidents” grew by NAf.31.4 million largely as a result of an increase in the deposits of the Dutch Ministry of the Interior and Kingdom Relations (BZK) at the Bank related to interest payments on debt securities issued by the governments of Curaçao and Sint Maarten that are held by the Dutch State. In addition, transactions carried out by some commercial banks in Bonaire towards their accounts with the Bank contributed to the increase in the item “Liabilities to nonresidents”.

The decline in the item “Government deposits” by NAf.29.7 million can largely be explained by the interest payments by the governments of Curaçao and Sint Maarten combined with the transfer of funds by the government of Sint Maarten from its account at the Bank towards its accounts at the commercial banks. This decline was, however, partly offset by the transfer of license fee over the month of March 2018 by the Bank to the government of Curaçao.

The item “Liabilities to other sectors” remained practically unchanged because the increase in the deposits of the public sector pension fund of Curaçao, APC, was offset by a decrease in the deposits of USONA³ at the Bank. The deposits of APC grew because of the payment of principal and interest by the Dutch State Treasury Agency (DSTA) on debt taken over by the Dutch government under the debt relief program. Meanwhile, the decline in the deposits of USONA was largely the result of payments to foreign creditors related to the construction of the new hospital in Curaçao.

The increase of NAf.20.6 million in the item “Official reserves” on the assets side of the balance sheet was primarily the result of the net sale of foreign exchange by the commercial banks to the Bank. Furthermore, the transactions carried out by the commercial banks in Bonaire, the transfers by DSTA for the payment of principal and interest on debt securities and the transfer of funds by N.V. Pensioen ESC from abroad contributed to the increase in the official reserves. This increase was, however, mitigated by the payments made by USONA to foreign creditors.

Finally, the item “Gold” on the assets side of the balance sheet dropped by NAf.8.0 million as a result of the lower market value at the balance sheet date compared to the end of March 2018. 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, May 28, 2018

Centrale Bank van Curaçao en Sint Maarten

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