

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

February 2018

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	28-Feb-18	31-Jan-18		28-Feb-18	31-Jan-18
Claims on nonresidents	3,685.9	94.3	Liabilities to nonresidents	258.5	-5.3
Gold	991.7	-20.5	Deposits of nonresidents in foreign currency	258.5	-5.3
Official reserves	2,694.2	114.8			
Other	0.0	0.0			
Domestic assets	559.6	-4.0	Domestic liabilities	3,059.4	114.3
			Currency in circulation	463.1	-14.2
Claims on the government	0.0	0.0	Government deposits	188.7	-10.1
Government paper in portfolio	0.0	0.0	Government of Curacao	138.9	-9.4
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	47.6	-0.7
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	68.6	-14.9	Liabilities to deposit money banks	2,299.1	132.4
Current account balances	68.6	-14.9	Current account balances	885.7	116.6
			Certificates of Deposit	116.0	-10.5
			Required reserves	1,297.3	26.4
Claims on other sectors	491.0	10.9	Liabilities to other sectors	108.6	6.1
Other assets	491.0	10.9	Deposits of other residents	45.9	4.2
			Other liabilities	62.6	2.0
			Capital and reserves	927.6	-18.7
Total assets	4,245.5	90.2	Total liabilities	4,245.5	90.2

During the month of February 2018, the Bank maintained the reserve requirement at 18.00%. Nevertheless, the amount of required reserves increased by NAf.26.4 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.10.5 million decline in the outstanding amount of CDs.

Base money² rose by NAf.102.4 million due to an increase in the current account balances of the commercial banks (NAf.116.6 million) moderated by a decrease in currency in circulation (NAf.14.2 million). The current account balances rose largely because the commercial banks received funds from the Dutch State Treasury Agency (DSTA) related to principal and interest payments on debt securities taken over under the debt relief program and held in the portfolios of the commercial banks and their clients. In addition, the decrease in the amount of outstanding CDs and transfers by N.V. Pensioen ESC from its account at the Bank towards its accounts at the commercial banks contributed to the increase in the current account balances. Also, USONA³ made transfers towards the commercial banks for the payment of local creditors regarding the construction of the new hospital in Curaçao. However, the increase in the reserve requirement and the net purchase of foreign exchange by the commercial banks at the Bank moderated 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.

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

Moreover, 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.14.9 million in the item “Claims on deposit money banks” on the assets side of the balance sheet.

The item “Liabilities to nonresidents” decreased by NAf.5.3 million largely as a result of transfers by the Central Bank of Aruba from its account at the Bank towards its foreign accounts. However, transactions by some commercial banks in Bonaire towards their accounts at the Bank moderated the decrease in this item.

The net position of the government with the Bank worsened by NAf.10.1 million, largely as a result of transfers by the government of Curaçao towards USONA regarding the construction of the new hospital. However, the decline in the deposits of the government of Curaçao was moderated by the transfer of license fee over the month of January by the Bank. Meanwhile, the increase by NAf.4.2 million in the item “Deposits of other residents” was the result of the payment by the DSTA of principal and interest on debt securities held in the portfolio of the public sector pension fund of Curaçao, APC.

The increase by NAf.114.8 million in the item “Official reserves” on the assets side of the balance sheet was primarily the result of the transfers by the DSTA regarding the payment of principal and interest on debt securities. Furthermore, N.V. ESC Pensioen transferred funds from abroad. This increase was, however, mitigated by the net purchase of foreign exchange by the commercial banks at the Bank, the payments by USONA to foreign creditors, and the transactions by the Central Bank of Aruba. In addition, the item “Claims on other sectors” increased by NAf.10.9 million, due to, among other things, accrued license fees over the month of January 2018 to be collected from the commercial banks by the Bank.

Finally, the item “Gold” on the assets side of the balance sheet dropped by NAf.20.5 million as a result of the lower market value at the balance sheet date compared to the end of January 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, March 21, 2018

Centrale Bank van Curaçao en Sint Maarten