

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

January 2018

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	31-Jan-18	31-Dec-17		31-Jan-18	31-Dec-17
Claims on nonresidents	3,591.5	-29.3	Liabilities to nonresidents	263.8	3.7
Gold	1,012.2	36.5	Deposits of nonresidents in foreign currency	263.8	3.7
Official reserves	2,574.5	-65.9			
Other	4.9	0.0			
Domestic assets	564.2	-63.1	Domestic liabilities	2,945.3	-134.4
			Currency in circulation	477.3	-30.7
Claims on the government	0.0	0.0	Government deposits	198.8	6.4
Government paper in portfolio	0.0	0.0	Government of Curacao	148.3	7.2
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	48.4	-0.9
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	83.5	-55.3	Liabilities to deposit money banks	2,150.0	-116.4
Current account balances	83.5	-55.3	Current account balances	752.6	-66.3
			Certificates of Deposit	126.5	-34.3
			Required reserves	1,271.0	-15.8
Claims on other sectors	480.7	-7.8	Liabilities to other sectors	119.2	6.3
Other assets	480.7	-7.8	Deposits of other residents	58.4	9.2
			Other liabilities	60.8	-2.9
			Capital and reserves	946.6	38.3
Total assets	4,155.7	-92.4	Total liabilities	4,155.7	-92.4

During the month of January 2018, the Bank maintained the reserve requirement at 18.00%. Nevertheless, the amount of required reserves decreased by NAf.15.8 million due to the lower 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.34.3 million drop in the outstanding amount of CDs.

Base money² dropped by NAf.97.0 million due to decreases in the current account balances of the commercial banks (NAf.66.3 million) and currency in circulation (NAf.30.7 million). The decline in currency in circulation is characteristic for the month of January when the public's demand decreases after the December holidays. The current account balances of the commercial banks declined largely as a result of the net purchase of foreign exchange by the commercial banks at the Bank. Moreover, the Postspaarbank (PSB Bank N.V.) transferred funds from its accounts at the commercial banks towards its account at the Bank. The decline in the current account balances was, however, mitigated by the decrease in the amount of outstanding CDs, the drop in the required reserves, and the transfer of funds by N.V. Pensioen ESC from its account at the Bank towards its accounts at the commercial banks. In addition, 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.55.3 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 net position of the government with the Bank improved by NAf.6.4 million due primarily to a rise in the deposits of the government of Curaçao (NAf.7.2 million). This rise was related to 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 fee over the month of December to the government of Curaçao. However, the payment of interest on outstanding debt securities issued by the government of Curaçao that are held by the Dutch State moderated the increase in government deposits.

The increase of NAf.6.3 million in the item “Liabilities to other sectors” can be attributed primarily to funds received by the public sector pension fund (APC) regarding interest and principal payments by the Dutch State Treasury Agency (DSTA) on debt securities that were taken over by the Dutch government under the debt relief program. Also, the transfer of funds by PSB Bank from its accounts at the commercial banks towards its account at the Bank contributed to the increase in the item “Liabilities to other sectors”. This increase was, however, moderated by payments made by USONA³ to foreign creditors regarding the construction of the new hospital in Curaçao.

Meanwhile, the item “Liabilities to nonresidents” grew by NAf.3.7 million due mainly to an increase in the deposits of the Dutch Ministry of the Interior and Kingdom Relations (BZK) at the Bank related to the interest payments on bonds issued by the government of Curaçao that were bought by the Dutch State. However, the transfers carried out by the commercial banks in Bonaire from their accounts with the Bank moderated the increase in the item “Liabilities to nonresidents”.

The net purchase of foreign exchange by the commercial banks at the Bank and the payments by USONA to foreign creditors largely explain the decline by NAf.65.9 million in the item “Official reserves” on the assets side of the balance sheet. This decline was dampened by the transfers of the collected dividend tax towards the government of Curaçao, interest and principal payments by the DSTA, and funds from abroad by N.V. Pensioen ESC.

Finally, the item “Gold” on the assets side of the balance sheet increased by NAf.36.5 million as a result of the higher market value at the balance sheet date compared to the end of December 2017. 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, February 23, 2018

Centrale Bank van Curaçao en Sint Maarten

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