

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

June 2018

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	30-Jun-18	31-May-18		30-Jun-18	31-May-18
Claims on nonresidents	3,643.1	-3.4	Liabilities to nonresidents	280.4	0.2
Gold	941.0	-41.3	Deposits of nonresidents in foreign currency	280.4	0.2
Official reserves	2,702.1	37.9			
Other	0.0	0.0			
Domestic assets	657.2	-14.7	Domestic liabilities	3,137.6	21.0
			Currency in circulation	475.4	6.3
Claims on the government	0.1	0.0	Government deposits	149.0	-39.0
Government paper in portfolio	0.1	0.0	Government of Curacao	85.9	-18.4
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	60.9	-20.7
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	177.7	-9.3	Liabilities to deposit money banks	2,383.8	45.6
Current account balances	177.7	-9.3	Current account balances	980.6	84.2
			Certificates of Deposit	56.0	-31.8
			Required reserves	1,347.2	-6.8
Claims on other sectors	479.4	-5.5	Liabilities to other sectors	129.5	8.1
Other assets	479.4	-5.5	Deposits of other residents	64.6	4.0
			Other liabilities	64.9	4.1
			Capital and reserves	882.3	-39.3
Total assets	4,300.3	-18.1	Total liabilities	4,300.3	-18.1

During the month of June 2018, the Bank maintained the reserve requirement at 18.00%. Nevertheless, the amount of required reserves decreased by NAf.6.8 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.31.8 million decrease in the outstanding amount of CDs.

Base money² rose by NAf.90.5 million due to increases in the current account balances of the commercial banks (NAf.84.2 million) and the currency in circulation (NAf.6.3 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 under the debt relief program and held in the portfolios of the commercial banks and their clients. In addition, the transfers by N.V. Pensioen ESC and the government of Sint Maarten from their accounts at the Bank towards their accounts at the commercial banks, combined with the decreases in the outstanding CDs and the reserve requirement contributed to the increase in the current account balances of the commercial banks. 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 net

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.

purchase of foreign exchange by the commercial banks at the Bank dampened the rise in the current account balances. 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.9.3 million in the item “Claims on deposit money banks” on the assets side of the balance sheet.

The net position of the government with the Bank worsened by NAf.39.0 million because the deposits of both the government of Curaçao (NAf.18.4 million) and the government of Sint Maarten (NAf.20.7 million) dropped. The decline in the deposits of the government of Curaçao was largely the result of the transfer of funds to USONA regarding the construction of the new hospital. Meanwhile, the drop in the deposits of the government of Sint Maarten was attributable mainly to the transfer of funds from its account at the Bank towards its accounts at the commercial banks. Furthermore, both the government of Curaçao and the government of Sint Maarten paid interest on debt securities held by the Dutch State.

The item “Liabilities to other sectors” increased by NAf.8.1 million due to an increase in the items “Deposits of other residents” (NAf.4.0 million) and “Other liabilities” (NAf.4.1 million). The item “Deposits of other residents” rose because of the repayment by the DSTA of matured debt securities held by the “Werkliedenpensioenfondsen”, mitigated by transfers by USONA towards local and foreign creditors regarding the construction of the new hospital in Curaçao. Meanwhile, the item “Other liabilities” rose because the Bank did not yet transfer the license fee over the month of May to the governments of Curaçao and Sint Maarten.

The item “Official reserves” on the assets side of the balance sheet increased by NAf.37.9 million due mainly to the transfers by the DSTA for the payment of principal and interest on debt securities. Furthermore, N.V. ESC Pensioen transferred funds from abroad. The 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 transactions carried out by the commercial banks in Bonaire.

Finally, the item “Gold” on the assets side of the balance sheet dropped by NAf.41.3 million as a result of the lower market value at the balance sheet date compared to the end of May 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, August 1, 2018

Centrale Bank van Curaçao en Sint Maarten