

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

March 2018

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	31-Mar-18	28-Feb-18		31-Mar-18	28-Feb-18
Claims on nonresidents	3,641.5	-44.4	Liabilities to nonresidents	262.2	3.7
Gold	996.2	4.5	Deposits of nonresidents in foreign currency	262.2	3.7
Official reserves	2,645.3	-49.0			
Other	0.0	0.0			
Domestic assets	672.0	113.6	Domestic liabilities	3,115.2	59.6
			Currency in circulation	473.6	10.6
Claims on the government	0.0	0.0	Government deposits	232.4	43.7
Government paper in portfolio	0.0	0.0	Government of Curacao	132.5	-6.4
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	97.7	50.1
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	193.7	125.2	Liabilities to deposit money banks	2,299.6	0.5
Current account balances	193.7	125.2	Current account balances	877.3	-8.4
			Certificates of Deposit	109.0	-7.0
			Required reserves	1,313.3	16.0
Claims on other sectors	478.3	-11.6	Liabilities to other sectors	109.6	4.8
Other assets	478.3	-11.6	Deposits of other residents	49.4	3.5
			Other liabilities	60.2	1.4
			Capital and reserves	936.0	5.8
Total assets	4,313.5	69.2	Total liabilities	4,313.5	69.2

During the month of March 2018, the Bank maintained the reserve requirement at 18.00%. Nevertheless, the amount of required reserves increased by NAf.16.0 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.7.0 million decrease in the outstanding amount of CDs.

Base money² rose by NAf.2.2 million due to an increase in the currency in circulation (NAf.10.6 million) moderated by a decrease in the current account balances of the commercial banks (NAf.8.4 million). The rise in currency in circulation can largely be explained by the higher demand for cash by the public during the holidays at the end of March. The decrease in the current account balances was mainly the result of the net purchase of foreign exchange by the commercial banks at the Bank combined with the increase in required reserves. In addition, a commercial bank transferred funds from its account at the Bank towards the account of the government of Sint Maarten regarding a loan that the Dutch State provided for liquidity support. Furthermore, the Bank collected license fee over the months January and February 2018 from the commercial banks, which is reflected also by the decline of NAf.11.6 million in the item "Claims on other sectors". The decrease in the current account balances was, however, moderated by the lower amount of outstanding CDs and transfers from N.V. Pensioen ESC from its account at the Bank

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.

towards its accounts at the commercial banks. In addition, the Bank provided short-term liquidity to some commercial banks during the month of March, reflected by an increase in the item “Claims on deposit money banks” by NAf.125.2 million.

The net position of the government with the Bank improved by NAf.43.7 million as a result of the loan of NAf.50.0 million that the Dutch State provided to the government of Sint Maarten for liquidity support in the wake of the devastation that Hurricane Irma caused in September 2017. On the other hand, the deposits of the government of Curaçao at the Bank dropped as a result of the transfers towards USONA³ regarding the construction of a new hospital. This drop was moderated by the transfer of license fee over the month of February 2018 by the Bank. The transfers towards USONA largely explain the increase by NAf.3.5 million in the item “Deposits of other residents”. USONA used part of these funds to pay foreign creditors.

Meanwhile, the item “Liabilities to nonresidents” increased by NAf.3.7 million due mainly to transactions carried out by some commercial banks in Bonaire. The decline by NAf.49.0 million in the item “Official reserves” was largely the result of the net purchase of foreign exchange by the commercial banks and the payments made by USONA to foreign creditors. The transactions carried out by some commercial banks in Bonaire and the transfers by N.V. Pensioen ESC moderated the decline in the item “Official reserves”.

Finally, the item “Gold” on the assets side of the balance sheet rose by NAf.4.5 million as a result of the higher market value at the balance sheet date compared to the end of February 2018. 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, April 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.