

# Condensed Balance Sheet

## CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

**May 2018**

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	31-May-18	30-Apr-18		31-May-18	30-Apr-18
<b>Claims on nonresidents</b>	<b>3,646.5</b>	<b>-7.6</b>	<b>Liabilities to nonresidents</b>	<b>280.2</b>	<b>-13.4</b>
Gold	982.3	-5.9	Deposits of nonresidents in foreign currency	280.2	-13.4
Official reserves	2,664.2	-1.7			
Other	0.0	0.0			
<b>Domestic assets</b>	<b>671.9</b>	<b>7.3</b>	<b>Domestic liabilities</b>	<b>3,116.6</b>	<b>17.4</b>
			<b>Currency in circulation</b>	<b>469.1</b>	<b>0.3</b>
<b>Claims on the government</b>	<b>0.1</b>	<b>0.0</b>	<b>Government deposits</b>	<b>188.0</b>	<b>-14.7</b>
Government paper in portfolio	0.1	0.0	Government of Curacao	104.3	-8.7
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	81.6	-6.0
Other	0.0	0.0	Former Central Government	1.8	0.0
			Government agencies and institutions	0.4	0.0
<b>Claims on deposit money banks</b>	<b>187.0</b>	<b>1.2</b>	<b>Liabilities to deposit money banks</b>	<b>2,338.1</b>	<b>21.1</b>
Current account balances	187.0	1.2	Current account balances	896.4	14.1
			Certificates of Deposit	87.8	-16.1
			Required reserves	1,354.0	23.1
<b>Claims on other sectors</b>	<b>484.9</b>	<b>6.1</b>	<b>Liabilities to other sectors</b>	<b>121.4</b>	<b>10.7</b>
Other assets	484.9	6.1	Deposits of other residents	60.6	10.0
			Other liabilities	60.8	0.7
			<b>Capital and reserves</b>	<b>921.6</b>	<b>-4.2</b>
<b>Total assets</b>	<b>4,318.4</b>	<b>-0.3</b>	<b>Total liabilities</b>	<b>4,318.4</b>	<b>-0.3</b>

During the month of May 2018, the Bank maintained the reserve requirement at 18.00%. Nevertheless, the amount of required reserves increased by NAf.23.1 million due to the higher base amount<sup>1</sup> 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.16.1 million decrease in the outstanding amount of CDs.

Base money<sup>2</sup> rose by NAf.14.4 million due almost entirely to an increase in the current account balances of the commercial banks (NAf.14.1 million) because the currency in circulation remained practically unchanged. The rise in the current account balances was the result of, among other things, the net repayment of outstanding CDs by the Bank and the transfer of funds by N.V. Pensioen ESC and the government of Sint Maarten from their accounts at the Bank towards their accounts at the commercial banks. However, the increase in the required reserves moderated the rise in the current account balances. In addition, the Bank provided short-term liquidity to some commercial banks during the month of May reflected by an increase in the item “Claims on deposit money banks” by NAf.1.2 million.

The item “Liabilities to nonresidents” dropped by NAf.13.4 million due mainly to transactions carried out by some commercial banks in Bonaire from their accounts with the Bank.

<sup>1</sup> The base amount is equal to the commercial banks’ domestic liabilities -/- long-term deposits.

<sup>2</sup> 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 worsened by NAf.14.7 million because the deposits of both the government of Curaçao and the government of Sint Maarten dropped. The decline in the deposits of the government of Curaçao was largely the result of the transfer of funds to abroad regarding the construction of the new hospital. This decline was, however, partly offset by the transfer of license fees over the month of April 2018 by the Bank. Meanwhile, the drop in the deposits of the government of Sint Maarten was attributable to the transfer of funds from its account at the Bank towards its accounts at the commercial banks. The transfer of funds by the Stichting Economische Ontwikkeling<sup>3</sup> from its account at a commercial bank towards the account of the government of Sint Maarten at the Bank, related to the dissolution of this foundation, moderated the drop in the deposits of the government of Sint Maarten.

Meanwhile, the item “Deposits of other residents” rose by NAf.10.0 million in May. This rise was due mainly to funds received by the public sector pension fund of Curaçao, APC, regarding the repayment of debt securities by the Dutch State Treasury Agency (DSTA) which were taken over by the Dutch government under the debt relief program.<sup>4</sup>

The item “Official reserves” decreased by NAf.1.7 million due mainly to the transactions carried out by some commercial banks in Bonaire and the transfer of funds by the government of Curaçao to abroad regarding the construction of the new hospital. This decrease was moderated by the transfers of the DSTA for the payment of matured debt securities held by the APC and the public sector pension fund of Sint Maarten, APS. Also, N.V. Pensioen ESC transferred funds from abroad that were deposited on its accounts at the commercial banks.

Finally, the item “Gold” on the assets side of the balance sheet dropped by NAf.5.9 million as a result of the lower market value at the balance sheet date compared to the end of April 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, June 26, 2018

**Centrale Bank van Curaçao en Sint Maarten**

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<sup>3</sup> Foundation for Economic Development.

<sup>4</sup> The Dutch government took over all remaining outstanding debt of the entities of the former Netherlands Antilles.