

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

July 2017

(millions of NAf.)

Assets	Difference compared to		Liabilities	Difference compared to	
	31-Jul-17	30-Jun-17		31-Jul-17	30-Jun-17
Claims on nonresidents	3,479.5	-72.8	Liabilities to nonresidents	456.0	0.5
Gold	953.8	19.0	Deposits of nonresidents in foreign currency	456.0	0.5
Official reserves	2,514.9	-91.8			
Other	10.8	0.0			
Domestic assets	629.9	21.6	Domestic liabilities	2,771.8	-72.1
			Currency in circulation	474.7	13.9
Claims on the government	0.0	0.0	Government deposits	181.3	-38.8
Government paper in portfolio	0.0	0.0	Government of Curacao	139.4	2.4
Government agencies and institutions	0.0	0.0	Government of Sint Maarten	39.7	-41.1
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	146.3	21.7	Liabilities to deposit money banks	1,984.4	-34.6
Current account balances	146.3	21.7	Current account balances	549.8	-31.9
			Certificates of Deposit	227.4	0.0
			Required reserves	1,207.2	-2.7
Claims on other sectors	483.6	-0.1	Liabilities to other sectors	131.4	-12.6
Other assets	483.6	-0.1	Deposits of other residents	71.9	-13.3
			Other liabilities	59.4	0.7
			Capital and reserves	881.6	20.4
Total assets	4,109.4	-51.2	Total liabilities	4,109.4	-51.2

During the month of July 2017, the Bank maintained the reserve requirement at 18.00%. Nevertheless, the amount of required reserves decreased by NAf.2.7 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 aimed only at the refinancing of maturing CDs. Consequently, the amount of outstanding CDs remained the same.

Base money² declined by NAf.18.0 million due to a decrease in the current account balances of the commercial banks (NAf.31.9 million), mitigated by an increase in the currency in circulation (NAf.13.9 million). The rise in the currency in circulation can be explained by the higher demand for cash by the public in connection with the vacation period. The decline in the current account balances was caused by the net purchase of foreign exchange by the commercial banks at the Bank. However, a transfer by the government of Sint Maarten from its account at the Bank towards the account of the public sector pension fund of Sint Maarten, APS, at a commercial bank moderated the decline in the current account balances. This transfer was related to the payment of outstanding arrears. In addition, the public sector pension fund of Curaçao, APC, and N.V. Pensioen ESC transferred funds from their accounts at the Bank towards their accounts at the commercial banks, while USONA³ made

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 of the construction of the new hospital in Curaçao.

transfers to the commercial banks regarding the payment of local creditors. In addition, the Bank provided short-term liquidity to some commercial banks during the month of July, reflected by an increase in the item “Claims on deposit money banks” by NAf.21.7 million.

The net position of the governments with the Bank worsened by NAf.38.8 million due largely to the transfer of funds by the government of Sint Maarten towards the APS. Also, the government of Curaçao paid interest on debt securities held by the Dutch State. The worsening of the net position of the governments with the Bank was mitigated by the transfer of collected license fees over the month of June by the Bank to the government of Curaçao.

Meanwhile, the item “Liabilities to other sectors” dropped by NAf.12.6 million due mainly to the transfers by APC and N.V. Pensioen ESC towards the commercial banks. In addition, USONA made payments to foreign and local creditors regarding the construction of the new hospital in Curaçao.

On the assets side of the balance sheet, the item “Official reserves” dropped by NAf.91.8 million due mainly to the net purchase of foreign exchange by the commercial banks at the Bank combined with the payments of USONA towards foreign creditors. However, the transfer of funds from abroad by N.V. Pensioen ESC moderated the decline in the official reserves.

Finally, the item “Gold” on the assets side of the balance sheet increased by NAf.19.0 million as a result of the higher market value at the balance sheet date compared to the end of June 2017. The increase in the item “Capital and reserves” on the liabilities side of the balance sheet was related to the increase in the market value of gold.

Willemstad, August 23, 2017

Centrale Bank van Curaçao en Sint Maarten