

CONDENSED BALANCE SHEET OF THE BANK VAN DE NEDERLANDSE ANTILLEN

The Condensed Balance Sheet of the Bank van de Nederlandse Antillen for September 2010 is as follows:
(millions of NAf.)

| Assets | 30-Sep-10 | Difference Compared to 31-Aug-10 | Liabilities | 30-Sep-10 | Difference Compared to 31-Aug-10 |
|--------------------------------------|----------------|--|--|----------------|--|
| Claims on nonresidents | 3,300.0 | 179.4 | Liabilities to nonresidents | 714.7 | -59.2 |
| Gold | 637.1 | 0.0 | Deposits of nonresidents in foreign currency | 714.7 | -59.2 |
| Official reserves | 2,662.8 | 179.4 | | | |
| Domestic assets | 621.5 | -12.7 | Domestic liabilities | 2,531.2 | 218.9 |
| | | | Currency in circulation | 361.6 | 9.3 |
| Claims on the government | 258.7 | 0.2 | Government deposits | 522.2 | 16.2 |
| Government paper in portfolio | 251.5 | 0.0 | Island government | 154.3 | 35.1 |
| Advanced license fees | 4.8 | 0.0 | Central government | 327.6 | -19.6 |
| Other | 2.3 | 0.2 | Government agencies and institutions | 40.2 | 0.8 |
| Claims on deposit money banks | 0.0 | 0.0 | Liabilities to deposit money banks | 1,159.1 | 121.7 |
| Current account balances | 0.0 | 0.0 | Current account balances | 564.2 | 140.2 |
| | | | Certificates of Deposit | 64.0 | -1.1 |
| | | | Required reserves | 530.9 | -17.5 |
| Claims on other sectors | 362.8 | -13.0 | Liabilities to other sectors | 488.4 | 71.7 |
| Other assets | 362.8 | -13.0 | Deposits of other residents | 451.7 | 72.6 |
| | | | Other liabilities | 36.7 | -1.0 |
| | | | Capital and reserves | 675.5 | 7.1 |
| Total assets | 3,921.5 | 166.8 | Total liabilities | 3,921.5 | 166.8 |

During the month of September 2010, the Bank continued to relax its monetary policy. The reserve requirement percentage was cut by 25 basis points to 8.00%, leading to a decline by NAf 17.5 million in the item "Required reserves". During the biweekly auctions of Certificates of Deposit (CDs), the Bank focused only on refinancing maturing CDs. Therefore, the item "Certificates of Deposit" remained practically unchanged.

Base money rose by NAf.149.5 million largely as a result of an increase in the net current account balances of the commercial banks at the Bank (NAf.140.2 million). In addition, currency in circulation grew by NAf.9.3 million. The gain in the net current account balances was related to the redemption of government paper and transfers by the island government of Curaçao from its account at the Bank to its accounts at the commercial banks. Also, the Dutch Ministry of the Interior and Kingdom Relations (BZK) made transfers to the commercial banks related to the debt relief of the BES islands¹.

The government's net position at the Bank improved by NAf.16.0 million. This improvement was a result of largely an increase in the deposits of the island government of Curacao at the Bank (NAf.35.1 million), partly offset by a decline in the deposits of the central government (NAf.19.6 million). The latter can be ascribed to the redemption of matured debt securities and payments

¹ Bonaire, St. Eustatius and Saba.

towards the government pension fund, APNA. The central government also made transfers to the island government of Curacao related to the regular settlement of mutual obligations between the two entities. The increase in the deposits of the island government of Curacao was due mainly to mentioned settlement of mutual obligations with the central government and transfers by the Dutch ministry of BZK towards the debt relief.

The item “Liabilities to non-residents” declined by NAf.59.2 million, largely due to the mentioned transfers by the Dutch Ministry of BZK towards the BES islands and the island government of Curacao, related to the debt relief. The item “Liabilities to other sectors”, on the contrary, rose by NAf.71.7 million, mainly as a result of transfers by the APNA from its accounts at the commercial banks towards its account at the Bank.

On the assets side of the balance sheet, the official reserves increased by NAf.179.4 million, reflecting largely the transfers by the Dutch Ministry of BZK related to the debt relief. Finally, the item “Other assets” declined by NAf.13.0 million, due mainly to the received payments of supervision costs that the Bank charges the institutions that are under its supervision.

October 26, 2010

Centrale Bank van Curaçao en Sint Maarten